FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Gordon Getty's billion-dollar surprise, Page 12

NEWS SUMMARY

GENERAL

Moscow pledges support to Angola

The Soviet Union has warned South Africa that its military intervention in southern Angola and support for guerrillas in the country are unacceptable, and that they will give Angola full support.

The threat of intensified fighting in Angola was made in a November meeting between South African and Soviet officials, Pretoria Foreign Minister Pik Botha confirmed yesterday. "South Africa will not be intimidated by such threats," he said.

South Africa and the Soviet Union severed diplomatic relations in the mid-1950s. Page 14

Thatcher threat on EEC cash

UK Premier Margaret Thatcher gave a clear warning last night that Britain would withhold EEC budget payments unless nearly £500m ($709m) in promised rebates was paid by March. Speaking in a television interview, she said Britain was prepared to wait for £42m, due at the end of December and blocked by the European Parliament.

Tunisia calmer

Tunis was in a state of nervous calm as troops toured streets in jeeps and armoured cars after Tuesday's declaration of emergency because of widespread riots over a steep increase in bread prices. Page 3

Schlüter boost

Danish Premier Poul Schlüter's Conservative Party stands to increase its 26 seats in the 179-seat parliament to 31, but mostly at the expense of its coalition partners, according to a newspaper poll. Trawler skipper Kent Kirk, who challenged Britain's right to keep Danish trawlers outside UK coastal waters a year ago, is a Conservative candidate. Page 2

Murder trial opens

Trial opened in Albufeira, Portugal, of a Palestinian who refused to give his name and who is accused of murdering a Palestine Liberation Organisation moderate.

Glemp in key talks

Polish primate Cardinal Josef Glemp is expected to question the pending trial of seven Solidarity leaders and four other dissidents in a meeting today with head of state General Wojciech Jaruzelski. Page 2

Minority rights

Hungary has restored rights to its 210,000 German minority, allowing German-language public signs and wedding ceremonies. Page 2

German refugee

A uniformed East German police sergeant fled across the fortified frontier into West Germany.

Persecution charge

Uganda's Anglican church magazine New Unity says the country's largest tribe, the Baganda, to which 3m of Uganda's 13m people belong, is being persecuted by murder, and confiscation and destruction of property.

Chinese health costs

China's Health Minister Cui Yueli said the national health system was losing 600m yuan ($400m) a day and needed to revise the way it charges.

Palermo arrests

Police in Palermo have arrested eight Mafia suspects, including a lawyer, believed to have been involved in 17 murders and 15 bombings.

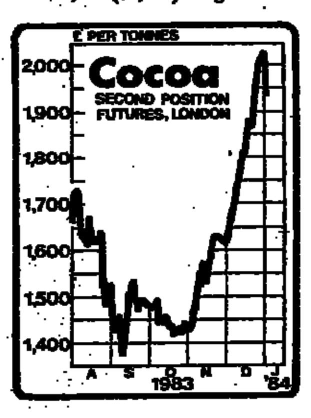
BUSINESS

Dollar is pushed to higher peaks

● THE DOLLAR was pushed to new highs on foreign exchanges yesterday on expectations that U.S. interest rates would remain firm, and because of renewed fighting in Lebanon. Page 14

It rose to DM 2.7845 (from DM 2.759), a record FFr 8.4975 (FFr 8.4375), SwFr 2.228 (SwFr 2.2125), a record L 1,697 (L 1,672), and Y 233.3 (Y 232.25). Its Bank of England trade weighting rose from 130 to 131.1. Page 31. South Africa's rand fell a cent to a record low of 80.65 US cents. In New York, the dollar closed at DM 2.791, SwFr 2.236, Y233.2 and FFr 8.52. Page 3

● COCOA prices fell heavily in London on the realisation that rises of more than £600 a tonne in two months were out of proportion. Yesterday the May quotation fell £97 to £1,934 ($2,744). Page 30



● RENEWED hopes that U.S. interest rates might ease in the early months of this year brought revived confidence to Wall Street yesterday and a strong advance across the full range of the market took the Dow Jones Industrial Average 16.31 ahead to a close of 1,269.05. Full report, Page 21; Share prices, Pages 22-24

● UK TREASURY officials revealed that official reserves fell $282m in December, the largest monthly fall for a year, reflecting Bank of England support for sterling. Page 14

● STERLING yesterday fell 80 points to $1.4205, rose to DM 3.9575 (DM 3.94125), FFr 12.065 (FFr 12.055) and Y332 (Y331.75), and was unchanged at SwFr 3.165. Its trade weighting was 82 (82.2). In New York it closed at $1.415. Page 31

● GOLD fell $5.5 in London, to $375.375. In Frankfurt it fell $8 to $374.5, and in Zurich $6 to $374.25. In New York, the Comex January settlement was $377.3 ($379.2). Page 30

● LONDON: FT Industrial Ordinary index slipped 1.5 to 770.3. Some government securities showed modest gains. Report, Page 25; FT Share Information Service, Pages 26, 27

● TOKYO: Nikkei Dow index improved by 33.29 to a record 9,927.11, and the Stock Exchange index was up 3.63 at 755.45. Report, Page 21; leading prices, other exchanges, Page 24

● U.S. TAXES will have to be increased in 1986-88 to trim the large federal budget deficit, according to figures the Administration has released to Republican senators. Page 4

● BRAZIL'S 317 state-owned corporations have had their aggregate budget cut by 24 per cent in real terms this year, to Cr10,280bn ($10.4bn).

● MEXICO, asked by the IMF to increase its foreign reserves by $2bn, achieved a $5bn rise in the first 10 months of 1983, due largely to a current account surplus of more than $3bn. Page 4

● GENERAL ELECTRICA of Spain, 28 per cent owned by General Electric of the U.S., has suspended payments, which allows for the apointment of receivers to plan a rescue. Page 16

GORDON GETTY PLAYS KEY ROLE IN $8.7BN TAKEOVER

Getty Oil accepts bid from family trust and Pennzoil

BY WILLIAM HALL IN NEW YORK

Getty Oil, one of the top six U.S. oil companies, in terms of domestic oil reserves, has received a $8.7bn takeover bid from Pennzoil, a much smaller U.S. oil company, and Gordon Getty, the son of the company's legendary founder, who controls the biggest stake in the company, as trustee for the Sarah C. Getty Trust.

The deal, which will take the form of a merger between Getty Oil and a newly formed entity owned by Pennzoil and the trustee, will result in the Sarah C. Getty Trust increasing its stake from 42 per cent to just over 57 per cent. The balance will be owned by Pennzoil.

The surprise bid, which has been agreed by Getty Oil's two biggest shareholders, and the company itself, follows a bitter behind-the-scenes struggle for power at Getty Oil. The struggle has pitted Gordon Getty against Getty management and other members of his family.

Getty Oil's directors finally agreed to the deal after a board meeting which started in New York on Monday night and continued throughout Tuesday.

After heavy trading on the New York Stock Exchange, Getty Oil shares closed $6¼ up at $104¾.

Early yesterday morning Getty Oil announced an agreement. Under the deal Getty Oil shareholders, other than Pennzoil and the trustee, will receive $110 per share cash, and the right to a deferred cash consideration. This will become available after the sale of ERC Corporation, Getty Oil's reinsurance subsidiary, which was acquired in 1980 for $570m.

Getty expects to get more than $1bn for ERC and this will be disbursed to shareholders pro rata. Under the formula each shareholder will receive at least $5 per share within five years.

It is understood that the J. Paul Getty Museum, which holds a strategic 11.2 per cent stake in Getty Oil, will dispose of its shares.

Pennzoil, which has a good reputation as a discoverer of oil and gas in the Gulf of Mexico, will contribute about $2.6bn in cash. It was unclear last night how much money the Sarah C. Getty Trust would inject into the deal.

The agreement in principle also provides that Getty Oil will grant Pennzoil an option to purchase 8m treasury shares for $110 per share. After completion of the merger, the Sarah C. Getty Trust will own four sevenths of the outstanding common stock of Getty Oil, and Pennzoil the remainder.

Pennzoil and Gordon Getty, in his role as trustee, have agreed that after the merger they "will endeav-

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A billion-dollar surprise, Page 12; Lex, Page 14

Peugeot sues union over disruption at Poissy

BY PAUL BETTS IN PARIS

PEUGEOT, the troubled private French motor group, took legal action against the pro-Socialist CFDT labour union yesterday as further violent clashes continued to paralyse car production at the group's large Talbot plant at Poissy, outside Paris.

The car group is seeking FFr 3m ($350,000) in compensation from CFDT for blocking production on Tuesday when the Talbot plant was due to resume work after a five-week stoppage.

Production was again disrupted when militant CFDT members and immigrant workers provoked new clashes with other workers and rival pro-communist CGT union members in which 39 people were injured.

The mood at Poissy was even more tense and confused than on Tuesday, and CGT and CFDT local union leaders called for a halt in the confrontations between workers at the plant employing 17,000 people, of whom about 53 per cent are immigrants. These immigrants come mainly from North Africa.

The efforts of the union leaders to calm the situation at the plant coincide with a Peugeot board meeting and central works committee meeting today. The company has said it would have "to draw the consequences" of the recent events at Poissy and has proposed to change the legal status of its French Talbot subsidiary.

Labour leaders fear that the continuing violent clashes risk seriously undermining the image of the unions. However, their image has already been severely bruised after the open split between the CFDT and the larger CGT confederation.

Mme Nora Trehel, the spirited and vocal local leader of the CGT at Poissy, yesterday claimed that violence and strike action "would only play into the hands of the fascists and the racists."

From the beginning, the CGT union has adopted a relatively moderate tone to the Poissy dispute and appears to have taken its cue from the left-wing government and the Communist Party's general approach that redundancies are inevitable at the factory if Talbot is to survive as a marque and a going concern.

The CGT appears to have been consulted by M Jack Ralite, the Communist Employment Minister, before the Government agreed to let Peugeot make 1,900 workers redundant at Poissy in return for a commitment by the company to invest FFr 1.2bn in the plant and guarantee the survival of the Talbot name.

But the CGT has subsequently had to harden its position in the face of the flat opposition to any redundancies by the CFDT.

The militancy and opposition to the Talbot redundancy plan has taken both the Government and the CGT by surprise. But the CFDT, which has traditionally been closer to government economic policies than the CGT, has seen its strength and membership decline seriously in recent months.

The union has thus attempted to regain some of the ground lost to the CGT and to Force Ouvrière (FO), the reformist and increasingly popular union movement, by adopting a harder line on labour and in*dustrial issues.*

Moreover, the CFDT does not ap-

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Nigeria retains economic team and pursues talks with IMF

BY QUENTIN PEEL, AFRICA EDITOR, IN LONDON

NIGERIA'S NEW military Government is to press ahead with international negotiations aimed at resolving its economic problems, senior officials said in Lagos yesterday.

Key officials in the former Shagari administration are expected to keep their positions under the new Government and play a leading role in talks with the International Monetary Fund (IMF) and other agencies.

Nigeria is eager to continue talks with the IMF on an extended credit of more than $2bn and with suppliers and export credit agencies on refinancing its arrears on trade payments.

Alhaji Abubakar Alhaji, Permanent Secretary for Finance under President Shagari, and Alhaji Abdulkadir Ahmed, Governor of the Central Bank, are among those expected to keep their jobs. Both have played a central role in recent international financial negotiations.

An important statement on economic policy is likely to be made today by Maj-Gen Mohammed Buhari, the new head of state. But officials insisted yesterday that the basis of Nigeria's austerity programme, and its efforts to co-ordinate international support for economic recovery, would remain intact.

"The military is very anxious to ensure that things are absolutely as normal," one administrator said. "The soldiers are already being withdrawn from checkpoints in the streets."

The next round of talks with the IMF was scheduled for Washington for the week beginning January 16, to be followed by further talks with the British Government in London on how to repay the estimated $3bn to $5bn backlog in trade payments owing to suppliers.

IMF talks have been delayed because the former civilian administration was unwilling to devalue the naira. Yesterday, the military Government took further steps to reassure the international community about its intentions, calling in senior diplomats in Lagos for a briefing, and issuing a renewed pledge that Nigeria would remain "a total member of Opec."

Meanwhile, Royal Dutch/Shell confirmed in London that oil shipments were continuing normally despite the New Year's Eve military coup

Kodak launches video system

By Elaine Williams in London and Terry Dodsworth in New York

EASTMAN Kodak, the world's largest photographic company, announced yesterday its first significant move into the rapidly growing video market.

In simultaneous announcements in London and New York the company said it would sell combined video camera/recorder/playback machines with blank video tapes for the two main video cassette recorder standards, VHS and Beta. Kodak has also announced similar products for the professional video market.

The camera/recorder system was developed for Kodak by Matsushita, the Japanese electronics company, whose affiliate Japan Victor Company (JVC), devised the leading VHS video system. The new camera, however, uses an 8mm video tape format agreed by most VCR makers as a means to end the battle between the three incompatible systems now on the market which all use the larger half-inch tape.

The basic list price for the 2000 series video camera recorder will be $1,599 in North America, where shipments are to start in the summer. Tapes, which will have a running time of 90 minutes, can be played on television without being moved from the camera itself, but using a "cradle" link-up device which will cost a further $199. An optional timer/tuner, priced at $300, allows automatic recording of up to 90 minutes of on-air programming.

It is not yet clear if, or when, manufacturers will switch from the current tape. Kodak said its series 2000 system should give "televised image at least equal in quality" to half-inch tapes. In addition, the 8mm video format will compete directly with conventional photographic 8mm and Super 8 film which is marketed by Kodak.

Blank tapes will be made by the leading Japanese tape manufacturers, TDK.

The decision to adopt video comes at a time of increasing competition and declining sales in Kodak's traditional markets, although Kodak denies that its decision was prompted solely by this. Kodak has suffered a fall in profit margins in the past 10 years from 15.7 per cent in 1972 to 10.7 per cent in 1982.

Earnings fell 42 per cent in the first nine months to $447.9m due to aggressive companies such as Fuji, now the second largest photographic company.

Focus on video recorders, Page 15

Market report, Page 21

Reagan open to meeting with Assad

BY NORA BOUSTANY IN BEIRUT AND OUR FOREIGN STAFF

PRESIDENT Ronald Reagan said yesterday that he would be prepared to meet President Hafez al-Assad of Syria if it would help to reach peace in the Middle East.

The U.S leader, after meeting Lieutenant Robert Goodman, the American airman released by Syria on Tuesday, said in a reply to a reporter's question whether he would be prepared to meet President Assad: "Of course."

Mr Reagan said: "We have opened communications with him and we hope it will lead to that."

A visit by Mr Reagan to Syria must, however, be regarded as tentative in the extreme at this stage. The White House last night said no plans were being made for such a meeting. Mr Larry Speakes, the White House spokesman, did disclose that Mr Donald Rumsfeld, the Middle East special envoy, would be going to Damascus and the White House "assumed" he would meet President Assad.

Mr Reagan's intimation of a possible Syrian summit meeting came as Israeli fighters, for the second consecutive day, bombed and strafed targets in Syrian-controlled central Lebanon, killing at least 100 people and wounding many more.

The bombings also coincided with intensive Israeli Cabinet discussions on new Israeli military plans for south Lebanon. Those could conceivably include a withdrawal from the area Israel controls south of the Awali River, near Sidon.

The Lebanese Government of President Amin Gemayel, meanwhile, was considering a new security plan, which aims initially at extending Lebanese army control over areas not falling within Israeli or Syrian control.

The plan might lead, if not to the withdrawal of the 1,800-strong U.S. marine contingent, then, at least, to its redeployment to a more defensive position. It might be jeopardised, however, by the Israeli bombings and any unilateral withdrawal south of the Awali by Israel.

In London, Mrs Margaret Thatcher, the British Prime Minister, again refused to countenance an immediate withdrawal of Britain's 100-man contingent. Mrs Thatcher said the United Nations would have to be given a bigger role in Lebanon before the multinational force could be pulled out of Beirut.

"We cannot just come out of the Beirut area and leave a vacuum there," she said. She added that Britain, France, Italy and the U.S. had to act together.

It was announced, however, that

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Editorial comment, Page 12

ICI set to announce Gulf methanol plan

BY CARLA RAPOPORT IN LONDON

BRITAIN'S Imperial Chemical Industries (ICI) is expected shortly to announce plans to build a world-scale methanol plant in the Gulf.

ICI is believed to be planning to build the new methanol plant, at a cost of around £150m ($212m), as part of a joint venture with the government of one of the Gulf countries, most likely the United Arab Emirates. The new plant is expected to be located in Sharjah, to have a capacity of around 400,000 tonnes a year, and to start operating in three or four years' time.

Although ICI has yet to confirm is plans officially, it is understood that the move is aimed at diminishing its dependence on natural gas from the North Sea. An executive at ICI's agricultural division said yesterday that the company was "looking at the possibility of using natural gas in overseas countries where it is much cheaper than in the UK for conversion to methanol."

In 1982, ICI announced plans to build a methanol plant at Billingham, North-east England, at a cost of around £100m. The plans have since been "deferred," according to ICI yesterday.

ICI is the UK's only producer of methanol and a leading producer in Europe. Methanol is used in making formaldehyde, which in turn is used to make a variety of products used primarily in building construction, including paint, plastics and fibres.

ICI purchases natural gas from British Gas under terms that are negotiated in secret. In 1982, the company launched an unprecedented suit against the British Government over ethane prices, claiming that its competitors in the oil industry received unfair advantages.

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EUROPEAN NEWS

Mitterrand determined to fight inflation

By Paul Betts in Paris

PRESIDENT Francois Mitterrand reiterated his commitment to economic deregulation and to freeing industrial prices in France at a cabinet meeting yesterday.

At the same time, however, he renewed the administration's priority of fighting inflation, aiming to hold the rise in the consumer price index to what is generally regarded as a highly optimistic 5 per cent rate in 1984.

Although the left-wing government is committed to gradual price deregulation in France, it has asked enterprises to sign pledges to the government to contain price increases this year within the bounds of the government's 5 per cent inflation target for 1984.

The government said yesterday 65 contracts on future price rises had been signed between French enterprises and the administration. In the industrial sector, price rises this year will range between four and five per cent to be introduced in two stages.

Wage rises

Moreover, the government is also seeking to contain overall wage rises to the 5 per cent target this year.

The Government said yesterday that public sector wage rises, due to be negotiated soon, would be calculated not only on the basis of net salaries but also including other benefits like merit and seniority rises.

On this basis, public sector wage rises are more likely to be of the order of around 2 per cent.

M Pierre Mauroy, the Prime Minister, also called for moderation in public transport price rises and for more stable social charges for French enterprises.

For its part, the Finance Ministry announced yesterday increases in petroleum product prices as of next week Wednesday in France. This will bring the price of a litre of top grade petrol in the Paris region over the psychologically important FFr 5 per litre level.

The Government also made an upward revision in the U.S. dollar-franc rate to FFr 8.15 for the purpose of calculating petroleum prices in its domestic oil price fixing formula.

Jaruzelski and Glemp to hold talks today on detainees

BY CHRISTOPHER BOBINSKI IN WARSAW AND DAVID BUCHAN IN LONDON

THE PENDING trial of seven Solidarity leaders and four prominent political dissidents from the KOR group was expected to be raised by Cardinal Jozef Glemp, Poland's Primate, at a meeting today with Gen Wojciech Jaruzelski, the country's military leader.

The meeting will be the culmination of behind-the-scenes talks between church and state which have run since the Pope's visit in the summer.

In a gesture of goodwill before the present meeting, the Vatican passed the word to Western governments that it now opposes Western economic sanctions against Poland.

The threat of an imminent trial of the political prisoners has figured prominently in the Reagan administration's view of the timing for lifting the remaining sanctions on Poland.

White House officials fear it would damage Mr Reagan's election candidacy if total removal of sanctions were to be followed by damaging publicity from political trials in Poland.

Despite Mr Lech Walesa's appeal for an end to sanctions, the U.S. has dragged its feet, agreeing only to a rescheduling of Poland's 1981 official debt and to reopening, in principle, U.S. waters to Polish trawlers.

The Administration still remains firm against accepting Poland's two-year-old application for International Monetary Fund membership. Poland's desire to enter the IMF remains "the one piece of real leverage we have over Warsaw," one U.S. official said recently.

Issues in church-state relations which may be raised in today's meeting range from the freeing of political prisoners and the recognition of the church's legal status by the state, to the liberalisation of forthcoming elections to local government councils and the Western church aid scheme for private farmers.

Hungary restores minority's rights

BY LESLIE COLITT IN BERLIN

HUNGARY has become the first East European country to restore fully the rights of its ethnic German minority in a move hailed by the West German Government.

A report by the 210,000-member German minority in Hungary noted that in nearly 100 communities signs in German have been placed in the streets and on public buildings.

Hungarians of German descent have now been permitted to give their children German names and may marry in a German language civil ceremony.

Herr Hans Dietrich Genscher, West Germany's Foreign Minister, recently praised Hungary for granting its Germans rights guaranteed by the Hungarian Government, including the right to use their own language which he called "vital" for their identity.

The situation of the ethnic Germans in Hungary contrasts vividly with that in other East European countries and the Soviet Union.

In 1945, those Germans remaining in the region were either uprooted—like the Volga Germans in Soviet Union—or were largely expelled such as the Germans in Poland and Czechoslovakia, who have lived there for centuries.

Dr Alois Mertes, Minister of State in the West German Foreign Ministry caused an outcry in Poland last month when he said there were at least 120,000 ethnic Germans known to want to leave Poland, out of a remaining 1.2m German minority.

The remark was attacked as "revisionism" by the Polish Government spokesman who noted that many of those Bonn called German nationals were actually "100 per cent Poles."

Last year, 19,200 ethnic Germans were allowed to leave Poland for West Germany

Bulgarian reshuffle aims to keep economy on course

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

THE thrust of this week's wide-ranging Communist party and government reshuffle in Bulgaria is to keep the economy, one of the most successful in Eastern Europe, on its reformist path with the promotion of younger technocrats. At the same time it strengthens the political hold of the country's veteran leader, President Todor Zhivkov.

The main beneficiary is the 47-year-old Mr Chudomir Alexandrov, a former party boss in the capital city of Sofia and a secretary of the central committee, who now gains full Politburo status and the job of first deputy premier. By Soviet bloc standards he is young to reach this height, but Mr Zhivkov, who is now 72, has regularly tended to infuse fresh blood into his ruling apparatus.

The other man to become a full Politburo member is Mr Yordan Yotov, editor of the party newspaper Rabotnichesko Delo. Of probably more consequence is the inclusion of Mr Stanish Bonev, a Deputy Premier responsible for economic affairs, and Mr Dimitri Stoyanov, the Minister of Interior, in the quartet who have been made new candidate Politburo members—that is, in the ruling body but without voting rights.

Bulgaria, once a very poor country that has perhaps done the best economically of any in Eastern Europe under Communism, has never had a very active dissident movement, and certainly Mr Zhivkov's position within the party establishment has seemed assured for many years.

Nonetheless, Bulgaria, very close politically and culturally to Moscow, has always faithfully tracked developments in the Soviet Union. The elevation of Mr Stoyanov, rumoured to have attracted the eye of Mr Yuri Andropov during a spell at the KGB academy in Moscow, follows the trend of the recent changes in the Soviet leadership.

The dismissal of Mr Vesselin Mikiforov as national bank chairman, without a replacement so far being named, would appear to be connected more with the progress of economic reform than financial problems.

Germany awards nuclear design contract

BY JOHN DAVIES IN FRANKFURT

WEST GERMANY has taken a further step in controversial plans for setting up a nuclear fuel reprocessing plant.

If the plans survive the obstacles and scepticism in their path, West Germany will build a plant at a cost estimated at well over DM 4bn ($1.45bn) to handle up to 350 tonnes of spent nuclear fuel a year. At present, spent fuel from West German nuclear power stations is handled by France and Britain.

In the latest step, a contract worth nearly DM 100m has been awarded to Uhde and Lurgi to plan the main processing works and to prepare a firm offer to design and build the entire complex.

Uhde, a subsidiary of the Hoechst chemical concern, and Lurgi, owned by the Metallgesellschaft metals group, have co-operated in nuclear engineering for more than 20 years.

The contract has been awarded by DWK, the company formed by electricity supply organisations to deal with the problem of handling nuclear waste.

DWK said yesterday that it also expected a firm construction offer to come from Kraftwerk Union (KWU), the power station construction subsidiary of Siemens, the electrical and computer concern. KWU said that the possibility of making an offer was "under discussion."

DWK has proposed building a nuclear reprocessing plant at two sites – Dragahn in Lower Saxony, close to the East German border, and Wackersdorf in Bavaria. A choice of site would not be made before summer at the earliest, the company said yesterday.

The project has come under fire from West Germany's strong and vocal anti-nuclear lobby. Other critics have queried whether it would be more economical to continue sending spent nuclear fuel abroad or to store it without reprocessing.

However, Herr Heinz Riesenhuber, the Research Minister in Bonn, recently said that West Germany needed its own reprocessing plant to ensure it kept pace with technology in this field.

Meanwhile, DWK has completed work on a temporary storage site for nuclear waste in the underground salt layers at Gorleben in Lower Saxony – the site of some violent clashes between police and anti-nuclear demonstrators.

The first consignment of nuclear waste is expected to be stored there in spring or early summer, the company said.

Costly investigations are continuing at Gorleben to try to establish if the site is suitable for permanent storage of nuclear waste.

West Germany's 15 nuclear plants account for about 21 per cent of electricity in the country's public grid.

Some of the heat has gone out of the nuclear debate in West Germany as expectations of future electricity needs have been scaled down. State governments in Hessen and Baden-Württemberg have put off plans for new nuclear power projects, avoiding conflict with anti-nuclear protestors.

Poll predicts strong gains for Schlüter

By Hilary Barnes in Copenhagen

PRIME MINISTER Poul Schlüter's Conservative Party stands to increase the number of seats it holds in the Folketing (parliament) from 26 to 51 in next Tuesday's general election, according to an opinion poll published in the Jyllands Posten newspaper yesterday. This confirms the trend predicted by other polls.

But such Conservative gains would cannibalise the party's partners in the four party non-socialist coalition. The Liberals would lose two of their 20 seats and the Centre Democrats would be cut from 15 to seven seats, according to the poll.

The main opposition party, the Social Democratic Party, would lose three of its 59 seats

Ten try to choose their candidate for IEA post

BY OUR BRUSSELS CORRESPONDENT

THE TEN GOVERNMENTS of the EEC are trying to choose between a Dane, a Dutchman and a West German as their joint candidate for the key post of executive director of the International Energy Agency which becomes vacant in the early summer with the retirement of Herr Ulf Lantzke.

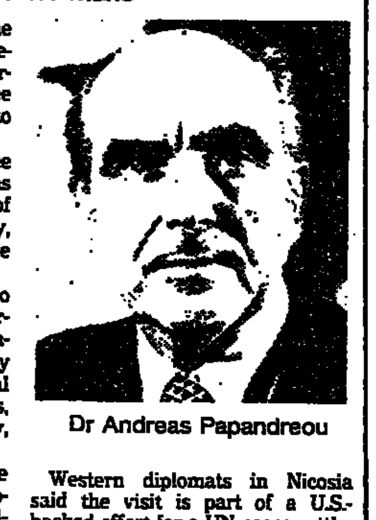
The Reagan Administration is said to have been hinting that the name of Mr Stephen Bosworth may be put forward if European members of the IEA cannot find someone suitable. Mr Bosworth is a U.S. official who played an important role in setting up the IEA in 1974.

The candidates under discussion within the EEC are Mr Jens Christensen, a senior Danish foreign service official; Mr Maurits De Brauw, a former Dutch Social Democratic Minister who has been heading a commission of inquiry into the future of nuclear energy in the Netherlands and Mr Walter Kittel who is West Germany's deputy permanent representative to the EEC.

The Ten's permanent representatives will try to adopt a Community nominee at their first meeting of the New Year next week. Competition between governments for such international jobs is often fierce and it is by no means certain that any of the three governments fielding a candidate will give way so as to allow the Community to rally around a single nominee.

Papandreou starts talks with Cypriot opposition leaders

BY ANDRIANA IERODIACONOU IN ATHENS



Dr Andreas Papandreou

DR ANDREAS Papandreou, the Greek Prime Minister, began a series of meetings in Athens yesterday with the leaders of the three major Cypriot opposition parties to discuss future policy for Cyprus.

The first Cypriot politician to see Dr Papandreou, was Mr Ezekias Papaioannou, general secretary of the pro-Moscow Communist Party, AKEL, which represents about one third of Cypriot voters.

The Prime Minister was also scheduled to meet Mr Glafkof Clerides, leader of the right-wing National Rally Party, which roughly matches AKEL in electoral strength, and Dr Vassos Lyssarides, head of the small socialist party, EDEK.

The idea of talks between the Greek Government and Cypriot political leaders to co-ordinate the policy first arose last November, when the political affairs of Cyprus were thrown into a fresh crisis by the declaration of an independent *Turkish Cypriot state in the occupied* north of the island.

This week's meetings come on the eve of a critical visit to the U.S. by Cypriot President Mr Spyros Kyprianou, for talks with the U.S. Secretary of State, Mr George Shultz and Mr Javier Perez de Cuellar, the United Nations Secretary-General.

Western diplomats in Nicosia said the visit is part of a U.S.-backed effort for a UN peace settlement for Cyprus, following the Turkish Cypriot independence move.

Yesterday, Athens announced its support for the Cypriot Government in rejecting Turkish Cypriot proposals for the return of the occupied town of Famagusta, the re-opening of the international airport in Nicosia, and a small parallel reduction in the number of Turkish occupation troops in the north of the island.

Top Dublin jobs to be opened up

By Brendan Keenan in Dublin

SENIOR IRISH civil servants are digesting proposals which would effectively abolish "Buggins' Turn" in promotions and offer top posts to candidates from outside the public service.

Unions representing top civil servants were told yesterday by Mr John Boland, the minister for the public service, that the Government would ask the public service advisory committee to assess the performance of civil servants with a view to picking out candidates for rapid promotion.

Where necessary jobs would be advertised outside the service and permanent secretaries would serve in the same job for a maximum of seven years and have to retire at 60 instead of the present 65.

Mr Boland's plan is part of his attempts to streamline the honest but cumbersome Irish Civil Service. There have been consistent complaints that the bureaucracy is unable to cope with industrial and technological change and that its assessment and monitoring of public projects has been poor.

Bank to freeze payments

By Our Dublin Correspondent

A DUBLIN merchant bank has agreed to freeze payments from one of its accounts while investigations continue into alleged connections between the funds and the failed Italian bank, Banco Ambrosiano.

A Peruvian subsidiary of the reconstituted Nuovo Banco Ambrosiano, Banco Ambrosiano Andino, SA, obtained an injunction against the Dublin bank, Ansbacher and Co. on Tuesday, requiring it to identify an account holder who had transferred between Ir£20m (£16m) and Ir£30m to the Dublin bank in June 1981.

The money is understood to have been in the form of investment funds which were managed by Ansbacher, an independent Irish bank which has no connection with other banks bearing the name "Ansbacher".

The money was paid in by the Panamanian branch of Banque Nationale de Paris, and it was said in court that it was one of a series of transactions made by the Panamanian bank and which related to "an international fraud of immense proportions." Banco Ambrosiano collapsed in 1982 with $1.4bn unaccounted for.

UK asks Commission to rethink rebate cut

BY JOHN WYLES IN BRUSSELS

THE BRITISH Government yesterday formally requested the European Commission to try to undo what Mr Nicholas Ridley called when he was Financial Secretary to the Treasury "the shabbiest trick I have ever experienced." His unusually splenetic outburst was delivered in July when he found himself on the losing end of an EEC Council of Ministers decision to cut £42m ($61m) from the rebate to which the UK insists it is entitled on its 1982 payments to the European Community budget.

Since then Sir Geoffrey Howe, the British Foreign Secretary, has repeatedly told his Community colleagues with rather more tact that the Community was reneging on an obligation to the UK and that the money must be restored by the end of 1983.

The new year has arrived, however, and the petty cash in the British Treasury is still £42m short. Sir Geoffrey's problem is that his Prime Minister and most of his Conservative Party want him to make a fuss, but if he raises too much dust now the UK's campaign for a long-term solution to its budget problem might be undermined.

On the other hand, many members of the British Cabinet fear that if the UK does nothing, then the continental European may be even more cavalier in honouring his promises to Britain.

He may even allow the European Parliament to sit indefinitely on the £457m rebate on Britain's 1983 payments which must be in London by the end of March.

So Sir Geoffrey has decided to "play it long" over the £42m while Downing Street foments press reports that if the much bigger rebate is delayed beyond the end of the current financial year, Britain could well withhold some of all of its monthly payments to the EEC budget.

The Commission has, therefore, been asked to present the Council with a proposal for paying the missing £42m which was meant to compensate Britain for the fact that its payments in 1982 were larger than envisaged when a £474m rebate was fixed.

In July, the extra compensation was fixed by majority vote and very arbitrarily at £135.6m instead of the £177.2m registered by British calculations.

Privately, diplomats from other member-states concede that their ministers behaved somewhat vengefully in July. They plead that memories were then fresh of the pasting Mrs Margaret Thatcher, the UK Premier, had handed out at the Stuttgart summit

UK NEWS

British Shipbuilders calls on workers not to strike

BY DAVID GOODHART, LABOUR STAFF

STATE-OWNED British Shipbuilders (BS) will today make a final appeal to its workers against supporting a national strike due to begin tomorrow.

Mr Maurice Phelps, board member for industrial relations, said after a day of talks at Acas, the conciliation service, that the UK shipbuilding industry "would go down the drain" unless new working practices were agreed.

"We do not have very much time left. If we get these changes we will get new orders. If we don't it will be a slow and painful death."

The strike was called at the beginning of last month when union leaders rejected the offer of a £7 a week rise in return for the sweeping changes in working practices contained in a survival plan.

Last night the prospect of unions calling off the strike still looked doubtful.

After the Acas talks, BS tabled a slightly modified programme for acceptance of the survival plan.

Mr Phelps said that in return for a slightly longer phasing period for the changes in working practices the unions would have to lift the strike threat.

Union officials have said they are not opposed to improving productivity by breaking down entrenched demarcations, but they must not be introduced too fast or without negotiation.

Mr Phelps said: "In order to survive we must improve our productivity to northern European standards which in many cases means 50 per cent better productivity. We are not talking about introducing Korean practices."

He added that the threat of strike action had already had a damaging effect on potential customers.

Although Mr Jim Murray, the union chief negotiator and other senior officials would probably be prepared to accept the latest package, as the best on offer, there is still deep resentment among many workers about the proposed changes.

There is equal hostility to low pay in the industry and continuing redundancies.

Whatever the negotiators decide there will be a full meeting of the Confederation of Shipbuilding and Engineering Unions executives today.

Tele-Jector project to wind down

BY CHARLES BATCHELOR

TELE-JECTOR, the company which set out to put big-screen television sets showing sport and entertainment programmes into inns and clubs throughout the country is to be put into mothballs.

London & Liverpool Trust, which owns Tele-Jector, announced yesterday that it will close down its sales and development operations with the loss of 140 jobs. In future it will only maintain and supply new video cassettes for TV screens and video juke boxes which have already been installed.

Tele-Jector, which earlier this year made an unsuccessful £8m bid for exclusive screening rights for Football League matches, has 2,000 machines installed, well short of the 5,000 it had hoped to market.

The company leased or rented the screens and juke boxes for between £20 and £60 a week and regularly supplied new video tapes *which included advertising* slots. Advertising income was passed on to the lessor depending on the size of the audience and was meant to more than cover the cost of the rental. The video was also intended to attract more people into public places to watch big sporting events.

Apart from the failure to get the football contract, Tele-Jector was criticised for trying to persuade customers to sign long lease agreements. It has since cut the length of contracts from five to three years.

A number of large brewers and the National Union of Licenced Victuallers, representing 25,000 landlords, warned publicans against signing up long-term contracts.

Mr Astley Whittall, who became non-executive chairman of London & Liverpool seven weeks ago, said: "We are withdrawing from a high level of costs which resulted from our large sales force. Our failure to get national advertising increased our cost burden."

London & Liverpool expects to save £250,000 a month on Tele-Jector, but stressed that it will continue to service existing screens for the four years that many contracts have to run. It also expects lessors to keep installed machines for the contract period, despite the prospect that some may want to pull out.

The company now plans to concentrate on its longer-established businesses of distributing photocopiers, computers and other business machines.

Computer error blamed in toy group's failure

Financial Times Reporter

INCORRECT information provided by a computer was partly blamed yesterday for the collapse of the Games Centre Stores, the London-based group which claimed to stock the largest range of games and puzzles in the world.

Mr Graeme Levin, founder of the group, which had an annual turnover of £4m, said a computer had given incorrect information about stocks.

Cash flow problems were caused when the wrong games were ordered.

"We became overstocked with a lot of games we could not sell and sales dropped," he said.

The final blow came with the Christmas car bomb outside Harrods. Three of the group's stores in the West End of London were cordoned off for most of the peak trading period in the Saturday before Christmas.

Mr Levin said Games Centre Stores had gone into voluntary liquidation. It was too early to say whether a new investor could be found to buy or back the company.

London Brick seeks test of Hanson bid

BY RAY MAUGHAN

LONDON BRICK, the sole supplier of fletton (common purpose) bricks in the UK wants to undergo its third examination before the Monopolies and Mergers Commission in the last eight years and the second such investigation over the last 12 months.

Its aim this time is to suspend the £170m cash bid from Hanson Trust, the industrial holding company which controls an important stake in the market for non-fletton, or specialist, facing bricks.

Its submission, completed last Friday, is now before the Office of Fair Trading (OFT), which will advise Mr Norman Tebbit, the Minister for Trade and Industry, whether or not Hanson's offer should be examined by the commission. The OFT usually announces its findings before a takeover bid reaches its first closing

Mr Jeremy Rowe, London Brick chairman said: "This bid raises fundamental questions, both of competition and the continued independence of the fletton brick monopoly. We believe that we can demonstrate to the commission that the Hanson Trust offer would not be in the public interest.

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BP completes Forties sales

BY MAURICE SAMUELSON

BRITISH PETROLEUM yesterday announced completion of sales of 9.75 per cent of its North Sea Forties field to 19 new participants.

With two other recent sales of Forties interests to Trafalgar House and OK Exploration, they realised a total of £338m for BP, worth almost £210m in profit after tax.

BP's tax payments on the sale are unofficially thought to be about £90m, divided almost evenly between clawback on corporation tax allowances and capital gains tax.

The remaining difference between sale and profit is believed to represent BP's view of the sales' asset value.

Dairies fight challenge from imported milk

BY RICHARD MOONEY

BRITISH DISTRIBUTORS of fresh milk are preparing to fight off a threat to their market from imported ultra heat tested (UHT) long-life milk.

Import controls were lifted for the first time this week when a 21,000-litre consignment of French long-life milk shipped to Newhaven, Sussex, was passed as fit for human consumption.

The dairy trade in the UK has fought long and hard to keep continental European milk out of the country, claiming that if only 10 per cent of consumers were tempted by its lower price, the viability of the traditional British daily doorstep delivery service would be destroyed.

They have now modified their position, saying that they believe UK consumers will find the taste of UHT milk unacceptable. In the meantime, the Milk Marketing Board, which had a monopoly of liquid milk supply, has altered its advertising campaign to emphasise the value of doorstep deliveries and the freshness of the British product.

Late last year a similar quantity of UHT milk shipped to Newhaven by ULN, the Normandy dairy co-operative which markets under the Elle & Vire brand name, was assessed in the UK as unfit for human consumption because the water content was too high.

Both consignments had been tested at the French Agriculture Ministry's central laboratory to ensure that they conformed with import regulations drawn up by the British Ministry of Agriculture.

Currency fluctuations disrupt tourism traffic

BY ARTHUR SANDLES

BRITAIN'S tourism flows, both incoming and outgoing, have been greatly disturbed by currency fluctuations in the past year, latest figures show.

Overall returns for most of 1983 indicate a 7 per cent rise in incoming traffic and a 1 per cent increase in visits abroad by the British – but considerable variations have occurred.

The increase in North American traffic to the UK has been the most impressive. In October the latest month for which the Department of Trade and Industry has figures, the rise was 50 per cent over 1982.

While figures for visits abroad by the British have remained fairly static, the general totals disguise a sharp rise in package tours, notably to Spain.

The number of Britons going to EEC countries in October fell by 10 per cent. The implications of these substantial swings are clear enough. Any considerable exchange rate fluctuations could again alter the flow of tourist traffic, with serious consequences for both UK hoteliers and tour operators taking the British overseas.

Provisional results produced by the department from the international passenger survey show 1.05m people visited the UK in October 1983, 11 per cent up on October 1982. About 1.97m Britons went abroad, 2 per cent down on the same month a year earlier.

The travel account was in deficit by £60m, an improvement on October 1982, when there was a £102m deficit.

Overseas spending in the UK was up 30 per cent to £350m but UK spending abroad was up only 10 per cent.

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OVERSEAS NEWS

Tunisia is calm under state of emergency

TUNIS—Soldiers and security police carrying machine guns and grenade launchers patrolled the streets of Tunis yesterday after the Government declared a state of emergency following a week of widespread violence.

Tanks and armoured cars were stationed at key crossroads and along the Avenue Habib Bourguiba, the capital's main thoroughfare, as normal traffic resumed. But witnesses said they were less numerous than on Tuesday, when a dusk-to-dawn nationwide curfew was declared.

Mr Mohamed Mzali, the Tunisian Prime Minister, in a television broadcast on Tuesday night, appealed for calm. His statement was given prominent attention in the newspapers.

The violence erupted last week in the south of the country after the Government increased the price of bread and other staples. It spread to Tunis and other major cities on Tuesday.

The death toll across the country was unofficially put at 25, with hundreds more injured. The official death toll is four, and there has been no statement from the Government on the extent of damage, which newspapers said was considerable.

The Ministry of the Interior announced that the night was calm throughout the country, but occupants at hotels in Tunis could hear small-arms fire during the early morning.

Most of the shops in Tunis that had pulled down their shutters when the troubles began on Tuesday reopened. Broken windows were the only evidence of violence.

Schools remained closed and public gatherings of more than three persons were banned under the state of emergency regulations. Many residents of the capital did not go to work because public transport buses remained in their garages as a security measure, government officials said.

In his television broadcast, Mr Mzali blamed the troubles on elements "attempting to overthrow the régime."

"Let these individuals or small groups who think it will be easy to topple the régime know that all their efforts are doomed to fail," Mr Mzali added.
Agencies

Brunei ruler's family takes main portfolios

By Chris Sherwell, South East Asia Correspondent

BRUNEI'S hereditary ruler, Sultan Sir Muda Hassanal Bolkiah, together with his father and two of his younger brothers, have taken all the main Cabinet portfolios in the new Government which has been established following the assumption of full independence from Britain over the weekend.

Apart from becoming Prime Minister, the 37-year-old Sandhurst-educated ruler will be Minister of internal affairs and finance. His 70-year-old father, who abdicated in 1967, will hold the defence portfolio.

Two of the Sultan's three brothers—Prince Mohamad and Prince Jefri—become External Affairs and Culture; Youth and Sports Ministers respectively. Three of the Cabinet's seven members are from outside the royal family.

Guerrilla attack leaves 31 dead in Afghan city

ISLAMABAD — Thirty-one soldiers, including some Soviet troops, were killed when Moslem guerrillas attcked the army garrison in Kandahar, Afghanistan's second largest city, last month, Western diplomats said yesterday.

The diplomats, citing reports from the embassies in Kabul, said Soviet troops suspected Afghan army officers of aiding the attack on December 22.

They said Kandahar was the only major Afghan city with daily fighting between guerrillas and Afghan forces.

Tight security, including night helicopter patrols and extra Soviet guards at Government buildings, thwarted any guerrilla attack in Kabul to mark last Tuesday's fourth anniversary of the Soviet intervention in Afghanistan.

Australia set for best year 'since early '70s'

By Michael Thompson-Noel in Sydney

THE AUSTRALIAN economy is heading for its best year since the early 1970s, according to an annual survey of the country's top forecasters published by The Age newspaper.

In part, the survey's optimism reflects the depths to which the Australian economy sank in the past two years. Nevertheless, it signals further good tidings for the Labor Government of Mr Robert Hawke, the Prime Minister, even though many economists believe wage demands will pick up strongly in response to greatly improved profits.

The 29 forecasters in the survey include representatives of all main banks, and share-brokers, plus leading corporate and academic forecasters.

On average, they predict a rise in total gross domestic product of 4.6 per cent, including a rise in non-farm GDP of 4 per cent—the highest for a calendar year since the early 1970s.

They expect inflation, as measured by the consumer price index, to fall from an expected 8.5 per cent in 1983 to about 6 per cent in 1984, though the introduction of the Government's Medicare health insurance scheme may be responsible for all the decrease.

Most forecasters expect the banks' prime lending rate to remain at about 12-13 per cent, while the consensus is that the Australian dollar will trade at around 93.5 U.S. cents.

● Mr Andrew Peacock, leader of the opposition Liberal Party, said yesterday the Government should declare itself fully in support of uranium mining and export.

His remarks followed a Morgan Gallup poll in The Bulletin magazine, showing that 66 per cent of Australians favoured the export of uranium.

The Government recently gave a go-ahead for development of the giant Roxby Downs uranium find in South Australia, but has vetoed development of all other major discoveries, mainly to placate its own rebellious left wing.

Kieran Cooke in Jakarta sees an economic turnround in advance of next week's budget

Indonesian austerity moves produce results

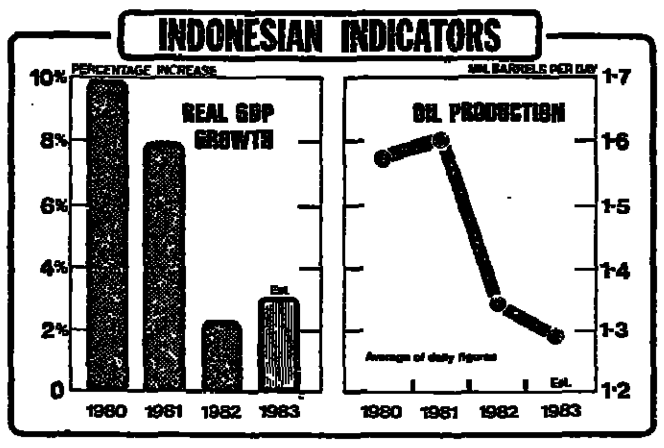
A SLIGHT note of optimism has crept in to Indonesia's economic forecasts as the country readies itself for the 1984-85 budget to be introduced to Parliament by President Suharto next week.

Earlier this year, the economic future looked bleak. Indonesia, a member of the Organisation of Petroleum Exporting Countries, was forced in March to cut the price of its oil by $5 a barrel. Combined with the oil glut caused by the world recession which has meant lower production, the price cut was a major blow to a country which has depended on oil for well over 60 per cent of its foreign exchange earnings.

Indonesia's reserves dwindled and there were predictions earlier this year of a current account deficit in 1983-84 of about $8bn. The Government was forced to act.

In late March the Indonesian rupiah was devalued by 27.5 per cent to 970 rupiahs to the U.S. dollar, giving a much-needed boost to non-oil exports, which it was hoped, would make up some of the shortfall in the current account of the balance of payments.

Two months later the Government announced it was cancelling, postponing or rephasing nearly 50 development projects, with an estimated foreign exchange saving of $10bn. It also took a number of steps to liberalise the banking system: to try to attract back foreign exchange which left the country in the months preceding devaluation. Interest rates on time deposits were raised to between 15 and 18 per cent to attract other funds.



Though many of the cuts were politically unpopular for a Government with a long-term development commitment, the moves have on the whole won approval both within and outside Indonesia. The latest economic forecasts suggest that they have worked and that earlier projections were too pessimistic.

The deficit on the current account is now expected to be closer to $4bn, and latest figures from the Bank of Indonesia say that in the last few months the country's foreign exchange reserves have almost doubled and now stand at $4.7bn. Foreign exchange has also returned to the country.

The World Bank, from which Indonesia is the third largest borrower after India and Brazil, says the country's austerity moves have shown its concern not to become trapped in the borrowing spiral of other countries, and the U.S. embassy in Jakarta reports in its yearly economic judgment that overall the measures have shown concrete results. While growth is unlikely to be above 3 per cent in 1983, the U.S. report says, there are signs for more sustained growth this year.

The coming budget, the first of the new five year plan is unlikely, however, to reflect these improved circumstances. In recent weeks, President Suharto and his Ministers have been emphasising that continued austerity is the only prescription for the next year.

On January 1 a new set of tax laws came into force, widening the tax net and introducing a 10 per cent value added tax. At present non-oil taxes account for only 6 per cent of gross domestic product.

In the coming financial year the Government has set as a target real growth of 5 per cent, modest compared with the oil boom years in the 1970s when 10 per cent growth rates were not uncommon.

To compensate for the drop in oil earnings it is estimated that an annual rise of at least 13 per cent in non-oil exports is needed. In some sectors, such as natural gas, this figure is likely to be surpassed.

In the first half of 1983 the value of gas and non-oil exports increased by 14 per cent and demand for timber, rubber and palm oil continues to be strong. But much depends on the revival of the industrialised economies. Indonesia's industry has also suffered from neglect and lack of capital investment during what one Minister called the "drug years of the oil bonanza."

The Government's ability to harness domestic savings for capital investment in these projects will be one of the crucial factors in the years ahead.

Pretoria studies terms of Angola truce plan

BY BERNARD SIMON IN JOHANNESBURG

ANGOLA'S conditions for acceptance of the South African offer to pull its forces back into Northern Namibia next month are unlikely to be rejected outright by the Pretoria Government, observers believe.

The South African response to Angola's qualified acceptance of the offer is likely to be given during the present United Nations Security Council debate on the situation in Southern Angola.

South African troops have been carrying out extensive operations in Southern Angola for the past month to forestall an infiltration into Namibia by guerrillas of the South West African People's Organisation (Swapo).

Angola's President Jose Dos Santos said in a letter to Sr Perez do Cuellar, UN Secretary-General, earlier this week that his Government will agree to a "truce" in Southern Angola, provided South Africa sets in motion the seven-month process leading to UN-supervised elections in Namibia and internationally recognised independence for the territory.

President Dos Santos stipulated that South Africa would have to implement the independence plan by mid-March "without extraneous conditions."

South Africa, with the support of the U.S., has up to now insisted that elections cannot be held in Namibia until a timetable is worked out for the withdrawal of an estimated 30,000 Cubans in Angola.

However, when Mr Pik Botha, South Africa's Foreign Minister, made the offer in mid-December to withdraw South African troops from southern Angola, he said that the offer was conditional only on an assurance from Angola that neither its forces, Swapo guerrillas, nor the Cubans would "exploit the resulting situation."

The offer made no mention of Cuban withdrawal. A Foreign Affairs Department official in Pretoria said the presence of the Cubans is not an issue in the South African pullback.

Rand slips to all-time low against dollar

By Our Johannesburg Correspondent

THE SOUTH AFRICAN rand slipped to an all-time low against the U.S. dollar yesterday, in the wake of the lower gold price and stronger dollar.

The rand closed at a mid-rate of around 80.65 U.S. cents, a full cent below its previous record low, reached on November 1 last year.

The Reserve Bank intervened in the morning to hold the rand above 81 cents, but appeared to abandon its efforts later, as the gold price dipped towards $370 an ounce.

Gold accounts for about half of South Africa's export earnings, and the bullion price is a key determinant of the value of the rand.

Despite the Reserve Bank's access to substantial short-term credits, the level of South Africa's foreign currency reserves—equal to less than a fortnight's imports at the end of November—is insufficient for the bank to sustain a prolonged intervention.

Bangladesh opposition call for strike goes unheeded

BY SAYED KAMALUDDIN IN DHAKA

THE MAINSTREAM political opposition in Bangladesh, comprising the 15-party Alliance and a seven-party Combine, received a jolt yesterday when its call for a general strike went largely unheeded.

The strike call was a part of its efforts to force the military regime of President Hossain Ershad to hold early parliamentary elections.

The failure of yesterday's strike has demonstrated that the leaders of the major parties are against any head-on confrontation with the regime. It has also revealed the opposition's basic weaknesses and observers believe, should provide them with an opportunity to argue against hardline adventurists within their ranks.

Gen Ershad had earlier announced that Presidential and Parliamentary elections would be held on May 24, and November 25 this year respectively. Prior to these elections, Gen Ershad also declared that a series of local elections would be held between the end of December 1983 and March 24 this year. These are now taking place.

The opposition had launched a movement demanding that the parliamentary elections should precede all other elections. When the movement reached its peak on November 28 last year, the military regime cracked down on all political activities following widespread violence in the capital.

Opposition politicians said that unless the Government lifts its ban on political activities, they could not participate in any formal dialogue with the regime. But yesterday Gen Ershad invited the political leaders to join him in discussions on important national issues on January 7.

Issues due to be discussed included "the process for transition to democracy, presidential and parliamentary elections and the demands of the political parties."

The two opposition groupings rejected the dialogue offer, but representatives of the Government are maintaining close contact with them.

AMERICAN NEWS

Reagan may propose tax increases to combat budget deficit

BY STEWART FLEMING IN WASHINGTON

PRESIDENT Ronald Reagan would have to propose substantial tax increases in the years 1986 to 1988 to produce a decline in the U.S. federal budget deficit, according to preliminary figures Republican senators have received from the Administration.

According to outline spending proposals released before final decisions on tax, the administration's fiscal 1985 budget will call for spending cuts of some $8.4bn, significantly less than the $21bn called for in the administration's fiscal 1984 budget plan.

Based on the administration's economic forecast of real growth at about the 4 to 4½ per cent mark this year and next, the federal budget deficit remains in about the $190bn to $200bn range this year and next without tax increases. If growth is lower, at about 3 per cent, and interest rates at 9 per cent rather than 8.5 per cent for Treasury bills, budget deficit would reach about $268bn in 1988 without increases, according to the administration's preliminary budget forecasts.

The projections make it clear that the administration's tax plans determine prospects of potential decline in the budget deficit towards the end of the decade. The President will be keen to show prospects of a decline in an electoral year, and could include a contingency tax proposal coming into effect in 1986, as he did in last year's budget presentation. This would enable him to forecast a deficit fall to around $106bn in 1988.

Boost to Mexico reserves exceeds IMF target

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO has greatly exceeded the International Monetary Fund's requirements in increasing its net international reserve by $2bn. Net reserves rose by about $5bn in the first 10 months of 1983, largely due to a current account surplus in the same period of over $3bn.

Total gross reserves rose from $1.6bn at the end of 1982 to about $4.3bn at the end of October 1983. The Bank of Mexico does not disclose total net reserve figures.

The figures were released yesterday by the Finance Ministry when it divulged contents of its Letter of Intent to the IMF, setting out the broad terms of the Government's economic strategy for 1984, the second year of its three-year IMF programme.

The reserves figure takes into account the repayments of a $1.5bn loan from Western central banks, arranged through the Bank for International *Settlements and arrears on private* sector interest payments of about $860m.

Mexico also registered a trade surplus of $12bn in the first 11 months of 1983, mainly because of a dramatic drop in imports.

In the Letter of Intent, the Government commits itself to continue to reduce subsidies by increasing public sector prices, to lower import controls, and bring down its public sector deficit from 8.5 per cent of gross domestic product in 1983 to 5.5 per cent this year.

● Commercial bank commitments to Brazil's $6.5bn loan are rising slowly in spite of major efforts by the Brazilian Government and senior officials from major banks to boost participation, APDJ reports from London.

Banking sources in New York said yesterday that by Tuesday afternoon total commitments to the loan totalled "about $6.3bn."

The relatively small increase, from about just over $6.2bn before the Christmas holidays started, suggests that Brazil is *having difficulty in coercing* several banks, particularly ones in the Middle East and Spain, to participate in the facility.

UK reacts coolly to Argentine call for talks

By Anthony Robinson

THE BRITISH Foreign Office yesterday reacted coolly to the new Argentine call for peace talks on the Falklands question. Senior officials promised to study it carefully, although first impressions were that the Argentine position concentrated too heavily on the question of sovereignty and too little on the wishes of the islanders.

"It appears that the statement is based on the premise that the outcome of any negotiations on the Falkland Islands must be the transfer of sovereignty to Argentina, regardless of the wishes of the islanders. British ministers have made clear that they stand by their commitment to the islanders and are not entering into negotiations about sovereignty," a Foreign Office statement said.

The latest Argentine initiative does not appear to have altered the British Government's view that at this stage the best way of improving relations between the two countries lies in limited practical steps such as normalisation of trade, economic and financial relations, allowing Argentine families to visit Falkland war graves under Red Cross auspices and repatriation of Argentine war dead.

Argentina is asking for a stop to construction of a military capable airport on the islands and the removal of the so-called exclusion zone around the islands, while offering guarantees that the interests of Falkland islanders would be guaranteed.

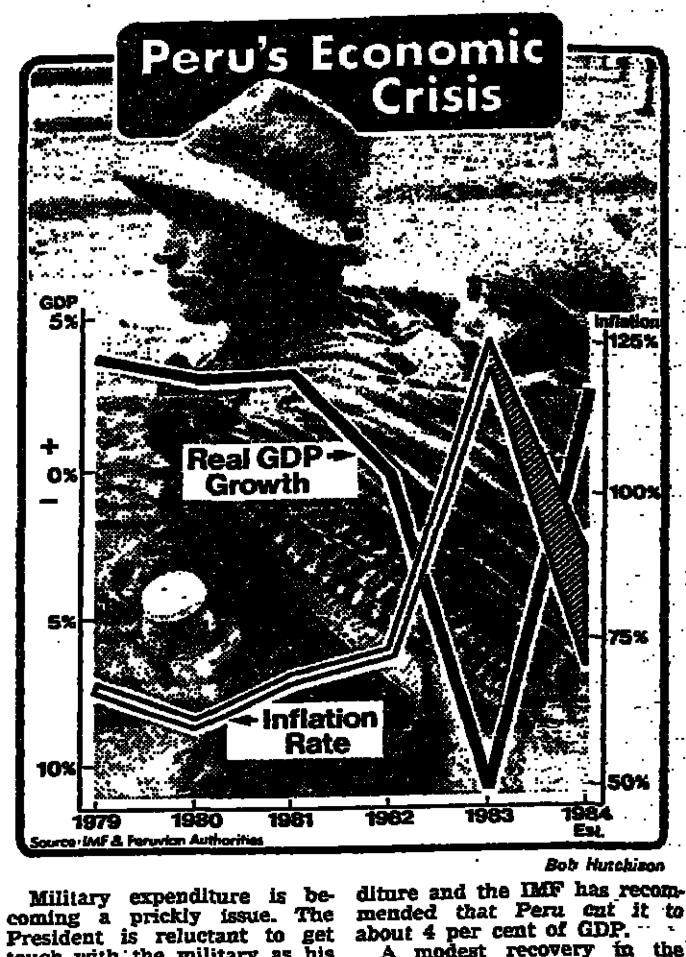
Hugh O'Shaughnessy adds: The cool British response is likely to be unpopular in Washington, where the Reagan Administration has been making efforts to repair the Anglo-Argentine relationship, trying to convince both sides that they had a common interest in re-establishing their financial and trade relations.

U.S. car total up

U.S. car production reached *its highest level for four years* in 1983, rising more than 33 per cent to 6,780,912, Reuter reports from Detroit.

Debt turns Peru recovery into game of chance

BY WILLIAM CHISLETT IN LIMA



Bob Hutchison

IT MAY NOT be quite so necessary in 1984 for Peruvians to take a suitcase to the bank. The Government has issued a new banknote worth 50,000 soles, five times higher than the previous highest banknote of 10,000 soles. But even the new note is worth only $22.

The sole dropped 130 per cent against the dollar last year, in line with Peru's rate of inflation. Peruvians emerged from banks after cashing their pay cheques laden with notes and complaining of their bulkiness and worthlessness.

Peru is facing a dire economic crisis caused by high international interest rates on its $12.8bn external debt, low world prices for its oil, copper and silver exports and natural disasters which have caused damage costing $1bn. Agriculture was devastated last year by floods and drought and a sudden change in the temperature of its Pacific waters wrought havoc on Peru's achovy fisheries.

The country's $18bn gross domestic product in 1982 prices declined by 11 per cent in real terms last year, the sharpest drop in Latin America, and the Government's failure to meet the targets of its $700m extended fund facility programme with the International Monetary Fund (IMF) has led to a delay in $460m of credits.

Peru and the IMF now appear to be back on course after tense discussions which ended shortly before Christmas. The progress made towards working out a new revised agreement could unblock $100m of an outstanding $200m commercial bank loan later this month.

Sr Carlos Rodriguez Pastor, the Finance Minister, will visit Washington this month with a draft letter of intent and if all goes well, the new agreement will be in place by March. This will pave the way for the refinancing and rolling over of about $3bn of short and long term debt, and for the disbursement of $250m to $300m in new money from commercial banks.

Peru's net international reserves dropped to below $600m at the end of 1983 from $904m at the end of 1982, sufficient for only two-and-a-half months' imports. It has agreed in principle to reduce its public sector deficit, the key problem, from a record 10.3 per cent of GDP in 1983 to 4 per cent this year to try to reduce the inflation rate to 70 per cent, considered on optimistic traget.

Peru wildly overshot its 4 per cent target set for 1982 and 1983 because of excessive spending by the country's profligate and influential military, which ruled the country for 12 years until 1980.

The Government is confident that this time it can meet the deficit target, although is it very worried about the impact of the austerity programme on the country's nascent democracy. Real wages—the legal minimum salary for those lucky enough to be fully employed is 72,000 soles ($32) a month—will take another sharp decline after falling 25 per cent last year.

About 900,000 jobs have been lost since 1980, pushing the level of those without a fulltime job to an estimated 60 per cent of the 6m workforce. About 150,000 new jobs are needed every year to keep pace with fast growing population of 19m

Sr Luis Montero, deputy minister in charge of foreign debt, thinks that the simplest way to get the deficit down to 4 per cent of GDP would be not to sign an agreement with the IMF. Peru would then suffer a credit boycott and would have no option but to reduce expenditure, he thinks. But such a drastic course would only be likely to provoke social turmoil more quickly than sticking to an IMF programme.

The government hopes to achieve a 3.4 per cent rate of economic growth this year which should be feasible since the base for expansion is very low. The aim is to double the trade surplus to $316m and to hold the deficit on the current account of the balance of payments to $1.2bn for the second year running.

But the Government's room for manoeuvre is severely limited by the burden of servicing its external debt and military expenditure. These items will consume 68 per cent of this year's 10,728bn soles budget, leaving a paltry amount for basic development needs. Spending on health takes up only 4 per cent of the budget.

Even if Peru succeeds in refinancing a portion of its debt, it will still have to pay $985m in interest and repayments of capital, or 30 per cent of its total exports of goods and services, said Sr Montero.

Military expenditure is becoming a prickly issue. The President is reluctant to get tough with the military as his Government was overthrown by the armed forces in 1968. The military justifies its expenditure, running at about 6 per cent of GDP, on the grounds firstly that it is fighting a guerrilla war and secondly that it cannot afford to let down its guard against Ecuador and Chile, with whom there have been border disputes.

The IMF and the World Bank have both tackled the Government over the military expenditure and the IMF has recommended that Peru cut it to about 4 per cent of GDP.

A modest recovery in the world economy would have a significant impact on the country, pushing up the prices of its exports, but its oil reserves are gradually being depleted. Proven reserves dropped 68m barrels last year to 707m barrels.

By 1986 the country could be a net importer of oil again, unless new reserves are developed, which given Peru's economic straightjacket, looks unlikely.

'Yanqui imperialist' shadow over Cuban anniversary

BY REGINALD DALE IN HAVANA

CUBA HAS this week been celebrating the 25th anniversary of Sr Fidel Castro's revolution in a manner so subdued as to have surprised many long-term observers of the local scene.

In Havana some main streets are hung with flags and rather peremptorily adorned with other commemorative symbols —the anniversary's slogan is "Let us dedicate ourselves as *never before to production and* defence." There have been no parades or any of the other major manifestations usually associated with important Communist anniversaries.

The main event has been easternmost end of the island. Santiago de Cuba, the "cradle of the revolution" at the eastern-most end of the island, where he addressed a rain-drenched local audience from the balcony of the old colonial town hall—the very balcony from which he spoke on the night of January 1 1959 the day *the defeated and demoralised* dictator Fuldencio Batista gave up the struggle and fled the country.

Sr Castro recalled the glorious moments of 25 years ago, recounted the many economic and social benefits the revolution has brought the country and launched into a savage attack on the "nazi-fascist" and "Hitlerian" Reagan administration in Washington.

For all its warning of "total" world nuclear war and the dangers of cruise missiles *and Pershing 2s in Europe*, the speech was essentially directed at the domestic audience. Cubans were stunned by the October U.S. invasion of Grenada and the humiliating ejection of the Cuban presence from the island, and need reassurance.

Rightly or wrongly, there are widespread fears that a U.S. invasion of Cuba itself could be imminent, fears that the Castro government is doing little to dispel. Sr Castro provoked one of the longest bursts of applause with a firm commit*ment to defend the homeland* if it, too, should come under attack.

In an essentially defensive speech, there was no mistaking the intensity of attack on the barbarous "Sr Reagan." Cuba is not in a mood to offer any concessions to Washington—nor indeed would they probably be welcomed—at one of the lowest ever points in relations between the two old enemies. The Grenada invasion—in which 24 Cubans died—may have stiffened Cuban determination to resist "Yanqui imperialism" *but it has certainly cast a pall* over what might otherwise have been a more joyful week in Havana.

WORLD TRADE NEWS

Credits finalised for Bahrain refinery

By Mary Frings in Bahrain

A $300m credit package for Gulf Petrochemical Industries Corporation (GPIC), put together in Bahrain by an international syndicate of 28 banks over 12 months ago, has finally been completed with the confirmation of British Export Credit Guarantee Department (ECGD) support for a $20m project line of credit from Barclays Bank International.

The main contractor for construction of GPIC's ammonia and methanol complex on Bahrain's Sitra Island is Italy's Snamprogetti, but eight equipment orders have been placed with British companies. The largest single order, worth $10.5m, is for the supply of four storage tanks by Motherwell Bridge.

For Class 1 contracts (where there is Italian competition) the ECGD deal provides for 85 per cent financing over eight years at an interest rate of 8½ per cent. Credit on less favourable terms will be available for other contracts, but will *probably not be taken up.*

Barclays Bank International also acted as export credit adviser to GPIC in arranging a $160m Italian financing facility, backed by the state export credit insurance agency SACE and another $13m from Japan.

Bills issued by GPIC under the export credit arrangements are guaranteed by a group of five banks which co-ordinated the $300m package: Arab Banking Corporation, Arab Petroleum Investments Corporation, Gulf International Bank, Kuwait Foreign Trading, Contracting and Investment Company and the National Bank of *Bahrain.*

GPIC is jointly owned by the governments of Bahrain, Kuwait and Saudi Arabia, and the plant is expected to go into commercial production by October 1985.

● The ECGD has guaranteed a £7.1m loan which Lloyds Bank has made available to the Bulgarian Foreign Trade Bank on behalf of Machinoexport.

The loan will help to finance the supply, supervision of installation and commissioning of car-battery-making machinery at three factories in Bulgaria.

The loan covers three contracts, one for each factory, which have been awarded to Chloride Technical of Manchester.

EEC interim quotas set on Chinese textiles

THE EUROPEAN Community, at loggerheads with China over bilateral trade in clothing and textiles, has set interim quotas for 1984 while talks on a long-term pact continue, officials said in Brussels yesterday.

The two sides had agreed to roll over a five-year accord limiting Community imports ranging from curtains to socks which expired on December 31. Under this pact China will get rises varying from about 6.2 per cent to 7 per cent in 1984.

The Community has just issued regulations governing the rollover, which will apply until new limits are agreed.

Intensive talks here lasting almost four weeks broke off in mid-December after little progress, with China sticking to demands for much bigger rises than the Ten were willing to grant.

The two sides will meet again in Peking, probably in late February or early March, the officials said.

● China's total trade in 1983 rose 3.1 per cent, with exports *up 0.4 per cent and imports* 6.6 per cent higher, Mrs Chen Muhua, Minister of Foreign Economic Relations and Trade, said in Peking.

She gave no other figures.

The ministry has said that in 1982, exports were $21.6bn and imports $17bn. According to a Reuter calculation on the figures given by Mrs Chen, the 1983 trade surplus was a rounded $3.6bn compared with $4.6bn in 1982.

The Ministry declines to detail how it calculates its figures.

Reuter

S. Korea to boost electronics exports

SEOUL — South Korea has set its 1984 export target for electronic goods at $4.5bn up 32.4 per cent from 1983, the Commerce Ministry said.

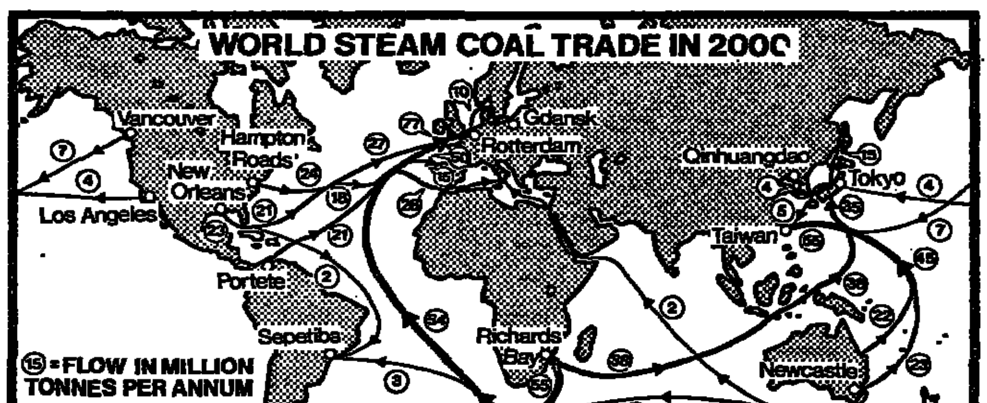
It said exports of electronic parts are expected to rise to some $3bn by 1986, up from 1983's $1.4bn.

South Korea plans to double the number of companies making electronic parts to over 1,000 by 1986 from the current 525 and give high priority to boosting elec*tronic technology, it said* without giving further details.

Reuter

Maurice Samuelson reports on investment in port and handling facilities

Japan prepares for greater coal imports



JAPAN, the world's leading coal importing nation, has chosen 20 coastal sites to be developed as coal handling ports over the next seven years.

The ports, some on green-field sites, will enable Japan to increase the amount of foreign coal it is using for generating electricity. Many will be adjacent to new coal-burning power stations.

They are listed by Mr Ray Long, of the International Energy Agency's London-based coal research service, in a study* of Japan's investment in coal production and handling facilities.

Mr Long, writing in Britain's National Coal Board Coal and Energy Quarterly, says that the 20 ports have been designated to handle 22m tonnes of imported steam coal by 1985 and 53.5m tonnes by 1990.

By then, Japan is expected to be importing 110m tonnes out of its total annual consumption of 130m tonnes of coal. Coking coal, mainly for steelworks, will account for 76m tonnes (compared with 64m tonnes in 1981) and most of the rest will be steam coal for power stations and factories.

The port expansion programme is being undertaken despite uncertainties about Japan's economic growth over the next 20 years and recent reductions in energy consumption forecasts.

Despite falling oil prices, Mr Long quotes the Japanese power utilities as saying that there will be a continued bias towards greater coal burning. "Even at today's differences between oil and coal prices it pays to build new coal-fired stations or to convert existing oil-fired stations."

At the end of 1981, Japan's coal-fired generating capacity was 5,760 Megawatts, requiring 12.9m tonnes of coal. By 1985 it is expected to be 12,306 Mw, including 2,843 Mw of oil-to-coal conversion, and by 1990 seventy-five coal-fired units will have a capacity of 26,212 Mw.

This growth is paralleled by Japan's investment in overseas capacity for coal production and handling. In addition to western Canada and Australia, Japan is keen to develop resources in China and the Soviet Union.

In China it is investing $1.6bn in mines producing 21m tonnes a year between 1984-9 and a further $1bn for port developments and rail links.

In the Soviet Union, Mr Long writes, the Japanese are interested in the long-term possibility of building power stations on the Siberian coal-fields with high tension cables to carry electricity via Sakhalin island, the southern end of which is very close to northern Hokkaido in Japan.

The same issue of Coal and Energy Quarterly reports a lower forecast of world trade in steam coal than that envisaged in the World Coal Study (WOCOL) published in 1980.

According to Mr Michael Parker, director of the NCB's central planning unit, revised economic growth projections point to a seaborne steam coal trade in the year 2000 of between 250m and 500m tonnes a year. This compares with WOCOL's range of 300m to 680m tonnes a year.

However, this still implies a large increase in seaborne steam coal trade over the 1977 figure of 40m tonnes and the 90m tonnes in 1982.

Coal and Energy Quarterly, Number 39: Winter 1983 (National Coal Board), £10

British TV programmes find a ready overseas market

BY FRANK GRAY

BRITISH television producers expect to earn more than £60m through the sale of programmes to overseas markets in 1983.

Member companies of the Independent Broadcasting Authority estimate that about two thirds of this will be accounted for by private-sector companies, compared with some *£20m by the state-owned British* Broadcasting Corporation.

Sales and marketing officials in London say that the sales performance represents a continuing increase in the saleability of British programmes abroad, especially in the key U.S. market. Despite the collapse of several cable TV companies in the U.S. last year, demand for British-produced programmes remained high, with all the major independents reporting improved sales over 1982.

Some officials estimate the U.S. market accounts for half the overseas turnover of British companies.

In some individual cases, last year's returns will show a 50 per cent increase on 1982, and reflect virtually relentless earnings growth since the early 1970s, when British programmes such as Upstairs, Downstairs, and The Forsyte Saga began to make a big impact on the world market.

Mr Phillips: spearheading Thames's sales effort.

Thames Television, the leading IBA company, estimates its foreign sales contributed £18m to the company's revenues last year, compared with £12m the year before.

As one of the most successful of the IBA companies, it has built up a huge catalogue of programmes, some of which continue to earn revenue years *after their initial launch, such* as the long-running World at War documentary series.

The Thames sales effort is spearheaded by Mr Mike Phillips, managing director of the company's international division and, from this week, an executive director of the parent corporation, Thames Television Limited.

Indicative of the importance of exports is the fact that overseas sales will account for nearly all the profits of the company during the current fiscal year ending March 31.

Old Benny Hill comedy programmes, some dating from 1968, have been recut from their original one-hour segments into 20-minute-long programmes. As a result, Thames now has a series of 65 chapters going to cable TV audiences in big U.S. population centres. Earnings so far are put at £9m from the series.

Two situation comedies, Robin's Nest and Man About the House, which totalled 39 chapters in all, continue to sell directly to the U.S. but the *programme concept in recent* years has led the ABC network to spin off its own derived series, called Three's Company now running in a series of 150 chapters, with royalties accruing to Thames.

While there are numerous examples of U.S. spin offs, which are usually taken by the major networks, some of the quality programming also enjoying success in the U.S. are Voyage Round My Father, with Lord Olivier, Flame Trees of Thika, with Haley Mills, a series of Agatha Christie mysteries and Reilly, Ace of Spies.

For this year, Thames has signed a co-operation deal with the U.S. CBS network to help develop a series of U.S. comedy programmes. As it now stands, the deal calls for the provision of outlines, pilot scripts and British talent.

Granada Television, comparable to Thames in catalogue size next week launches its much-heralded 14 chapter series, the Jewel in the Crown, based on the Paul Scott novels of India, the Raj Quartet.

London Weekend, which created Upstairs, Downstairs, last year saw its revenues rise to £3.5m up from £2.5m the year before, largely on the strength of Apocalypse Now, A Married Man, and Marlowe — Private Eye, based on the Raymond Chandler detective hero.

Several companies recently set up and expecting to enlarge their exports are Channel Four Television, Central Independent Television, and a reconstituted Yorkshire Television, hived off from the Trident group several years ago. All need to build up a catalogue comparable to those of Thames and Granada, which they say will take about five years.

Swedish group wins Kenya power contract

By David Brown in Stockholm

SKANSKA CEMENT, the Nordic region's largest construction company, announced yesterday that it has been awarded a contract, worth SKr 450m (£39m), to build three units of a five-unit hydro-power project planned by the Kenyan Energy Ministry.

The contract is shared with the Canadian builder Foundation, and Skånska's portion of the contract is SKr 300m.

The project, 160 kilometres north east of Nairobi, is being financed with United Nations aid, and is to be completed within three years.

RCA joins Siemens in PABX link

RCA SERVICE Company, a division of the RCA Corporation, has signed a telephone equipment agreement with Siemens Communications Systems of the U.S., a subsidiary of the German electrical company. The deal is understood *to be worth several* million dollars, Our World Trade Staff reports.

The agreement calls for the manufacture and delivery by Siemens of SD-series private automatic branch exchanges (PABXs) to RCA. The link could give Siemens a wedge into the U.S. PABX market. RCA will market the PABXs for small to medium-sized businesses, hotels and motels. RCA's marketing will be made from 11 U.S. cities.

Sweetener venture

Ajinomoto, a Japanese food and chemical *manufacturer, said it* has set up a joint venture in Switzerland with G. D. Searle and Co to supply Asparatame, an artificial sweetener, to Europe, Reuter reports from Tokyo.

Nutrasweet, equally owned by the two companies, has a capital of SwFr 1m (£316,000), and will start business early this year, it said.

U.S. steel ruling

The U.S. International Trade Commission ruled Tuesday that imports of carbon steel wire rods from Spain, Mexico, Argentina and Poland may be injuring domestic steel producers, AP-DJ reports from Washington.

THE ARTS

An operatic year of gloom and despondency

Max Loppert and David Murray review opera in 1983 and find little to enthuse about

Any year of opera in Britain is a year full of highlights, and 1983 was no exception; but the general verdict must be that it was an unusually dull year — gloom dominated several parts of the skyline, and worry the wider horizon. It was the year in which the gulf between the Royal Opera administration and an alarmingly large consensus of regular opera reviewers (by no means followers of any particular party line) widened into an abyss. (The mid-year Crush Bar press conference and artistic report was the occasion for an unprecedented amount of acrimony.)

It was the year in which doubt about aspects of English National Opera casting policy began to harden; in which the impact of financial stringency upon Scottish Opera began, despite sporadic brave contrary effort, to be felt upon artistic achievement; in which Glyndebourne fell back from a decade of splendid advance; in which Edinburgh parsimony and philistinism finally vanquished John Drummond (but not before he had put together the best festival programme for many seasons). It was the year of Lord Gowrie, of the Priestley Report, of Messiaen's first opera in Paris, of the English Ring at Bayreuth. There are other, happier souvenirs as well; but, for me at least, all of this sums up the tone of 1983.

Robert Lloyd and Joan Rodgers in Boris Godunov

Let me try, first, to recall the happier souvenirs of the Royal Opera House. These included a curious, striking new production by the Russian film-maker Tarkovsky of *Boris Godunov*, raised to greatness by the conducting of Claudio Abbado; an appealing if uneven (musically, above all) double bill of Stravinsky and Ravel made memorable by the Hockney designs; the overdue return of Maxwell Davies' *Taverner*, that unwieldy, thorny, yet still stirring and important modern music-drama; revivals of *Carmen*, *The Carmelites* (a particularly gratifying success), and *Lulu*, put on with love, seriousness, and a sense of close working among compatible colleagues that quickly communicated itself to the audience; and several other revivals — *Samson et Dalila*, *Falstaff*, and *Il trovatore* among them — less noteworthy but still recognisably the work of a major opera house (and a major opera-house orchestra).

Memories of fine individual contributions are meshed in the larger impression: of Lloyd, Haugland, and Howell, the three finely contrasted leading bass voices and personalities of *Boris*; of Günter Reich's Schön (*Lulu*), a multilayered masterpiece of observation and musicianship; of Agnes Baltsa, José Carreras, and Colin Davis jointly proving that what *Carmen* needs is not ransacking or rewriting but strong, stylish performers; of Régine Crespin in *The Carmelites*, a single Frenchwoman giving a superb ensemble of leading British singers lessons in the difficult art of Poulenc-in-English; of the authoritative Verdi conducting, undemonstrative yet broadly sustained, of Edward Downes bringing unexpected life to the dreary cast and emptily vulgar décor of Elijah Moshinsky's *Macbeth*.

On *Boris*, *Lulu* and *Carmelites* evenings you could be forgiven for considering the Royal Opera a serious, high-minded artistic entity, indeed a "centre of excellence" (to borrow a much-invoked, much-abused phrase). But what, then, would you—did you—make of *Manon Lescaut*? Despite the last-ditch work of television and video apologists, the truth is that an anodyne Hamburg production (borrowed at the last moment after the collapse of the house's own plans), the wildly oversold conducting talents of Giuseppe Sinopoli, and the sadly lacklustre title-role contribution of Kiri Te Kanawa came together to provide one of the year's biggest disappointments, with only the ardour and generosity of Placido Domingo to save the performance from total disaster.

Here, or during the risible *Esclarmonde* borrowed from Vancouver to supply the Sutherland-Bonynge circus with its latest bag of tricks, the theatre seemed to be no more than a clearing-house for the second-hand goods of the national opera market. Standards of casting, though perhaps less puzzlingly various overall than in 1982, still gave cause for concern; in *Don Carlos*, a praiseworthy attempt at last to deliver a French-language opera in the original came to grief over the choice of Carlos and Eboli (and over the Royal Opera Chorus at its all-time worst). The close juxtaposition of, say, *Carmelites* and *Carlos* or *Boris* and a sadly enfeebled *Werther* contrived (in the words of a Daily Telegraph colleague) to "reveal the acceptable and unacceptable faces of the Royal Opera at their most bewildering."

The deliberations of the Priestley Report into the Covent Garden and RSC deficits are, in a nutshell, that though the Covent Garden opera company could be faulted for organisational lacunae, it had in fairness to be exonerated from the charge of extravagance. There was official confirmation that, by the levels of other international houses, it is seriously underfunded. The major solution suggested is direct support from central government.

My own response to the report findings is very cautious. It would be nice to have a decently funded international house in London—if only to ring changes in the Royal Opera *cantus firmus* that insufficient money is the source of all woe—but not if this is to be brought about with the loss of Arts Council influence, and above all not at the direct cost of all that has grown up of operatic value elsewhere in the country. And, at bottom, I wonder whether, even with more money, the current artistic circumstances at the house are of a kind to permit an overall improvement of standards. The prospect of Bernard Haitink as musical director from 1988 may make things clear (it's a long time to wait). Haitink is not just a major conductor, but an opera-ensemble adherent. Nice, at least, that the board were able to resist the glitz-glam candidates regularly touted in *The Times*.

In 1983 the ENO completed the staking of its claim to be one of Europe's foremost *nouvelle vague* opera institutions. As one who believes that (in Andrew Porter's words) "operatic directors with 'conceptions' in the form of reinterpretations, distortions, partial glosses, or misconceptions are a curse of our day," I now approach Coliseum new productions with excitement and trepidation well mixed. The work of the productions' director, David Pountney, as evidenced in *Queen of Spades*, *Rusalka*, *The Gambler*, and *The Valkyrie*, drew from me a wider range of reactions than any other: from utter despair at the perverseness of his Chaikovsky (which earns my Rotten Tomato of 1983), through troubled admiration for his prismatic reflections of Dvorak and Wagner, to unfettered enthusiasm for his exhilarating Prokofiev.

Graham Vick's stagings, on the same basic platform set, of *Ariadne on Naxos* (dreadful) and *The Rape of Lucretia* (intelligent and sensitive), the modishly unatmospheric *Mireille* and the banana-republic-style *Rienzi* were other far-flung points on the ENO 1983 calendar. At bottom, liveliness and stimulating controversy must surely be preferable to staleness and mindless acceptance by audiences; and no one could possibly take the company's current repertory or house-style for granted.

But a company's house style is about more than its fashionably tumultuous first nights. While there were some strong ENO revivals on offer in 1983—notably *Force of Destiny* (with Josephine Barstow in glorious form), *Toussaint*, *Rigoletto*, and *Mr Broucek*—there were rather too many others under-rehearsed, under-conducted, and above all under-sung. It seems to me that the general level of singing at the ENO is lower just now than at any time since the move to St Martin's Lane.

"The accent is on youth," proclaims Lord Harewood in the *ENO and Friends* magazine. That is no excuse for the removal of more than one formerly valued and valuable company stalwart—and not for any reason of vocal decline. (It was puzzling to see Anne Evans so often in the audience, but never on stage; in the *Ariadne* and *Rienzi* leading soprano roles she was sorely missed.) No one wants the ENO to settle into middle-aged torpor; everyone must encourage the steady development of an Eilene Hannan (radiant in *Rusalka*), a Jean Rigby, Anne-Marie Owens, or Russell Smythe (all excellent in *Lucretia*). But other principal-role assignments had about them a distinct "flavour-of-the-month" quality. Some names on the list of guest conductors were more welcome than others; but if this policy means the removal of such promising former company conductors as Howard Williams, then it is misguided.

The Welsh National had a more than usually variable year. I admired the new *Parsifal* all the more in that its producer, Mike Ashman, and conductor, Anthony Negus (a genuine Wagnerian), were late replacements. The Pintilie *Carmen*, a crude undergraduate romp that was also, admittedly, a bravura show, was yet another attempt to "rescue" Bizet; the start of the WNO *Ring*, as offered in a *Rhinegold* of provincial second-rate-ness, weakly sung and by Richard Armstrong flaccidly conducted, was another of the year's disappointments. Jonathan Miller's *soi-disant* farewell to opera, the Scottish Opera *Magic Flute*, was at once rewarding and irritating, full of insights and full of pretensions. But it gave, at least, a boost to an otherwise distinctly anaemic Glasgow schedule. The time has come for the rescue and revival of Scottish Opera to get under way in full earnest: it is worth too much to be forced, out of hardship, to operate at half steam.

Opera North felt the first lappings upon its shore (with *Beatrice and Benedict*) of Producers' Opera. I enjoyed its *Tales of Hoffman*, and, on its own none-too-relevated terms, the first Opera North "creation," Wilfred Josephs' *Rebecca* (which drew audience cheers, and knockout performances from Gillian Sullivan and the splendid Ann Howard). Opera 80's Japanese-style *Cosi* was a novelty that was more than just that; Kent Opera's Offenbach *Robinson Crusoe* is bringing pleasure wherever it goes; and the continued re-emergence of Sadler's Wells Theatre was another cause for good cheer. The operetta company, New Sadler's Wells Opera, has taken root; Handel and Rameau (the English Bach Festival *Platée*) were welcome visitors, and in Cimarosa's *Secret Marriage*, the Cologne Opera and a choice band of London period instrumentalists under Arnold Östman gave between them a wonderful lesson in finding a style for 18th century comic opera that is authentic without being doctrinaire.

Concert opera — the high-fashion kind — came back with the Dayviss-Sievewright organisation (now based at the Barbican); their *Medea*, with Grace Bumbry entirely unremarkable in the dilution-of-Cherubini title role, was a non-event, by contrast with the South Bank Summer Music account, under Simon Rattle, of Janacek's *Osud*, which was thrilling. The fringe and student scene was as adventurous as ever: Lully's *Roland*, Chabrier's *Gwendoline*, Haydn's *Orfeo*, Respighi's *Sleeping Beauty* deserve special recall.

At the Royal Academy the rediscovery of Kurt Weill's "Broadway opera," *Street Scene* must count as one of that valuable institution's brightest-shining deeds.

The festival scene was brightened by the dazzling richness of John Drummond's final Edinburgh programme — the *Vienna 1900* theme dominant, but other sub-themes of no less value (I was glad Opera Theater of St Louis made its European debut, though its success was less assured than I had hoped) — and by the Spitalfields Festival showing of Cesti's *La Dori*, a rich and delightful Venetian piece strong enough to survive its arty (though ingenious) reworking by *Musica nel chiostro*. Glyndebourne's *Idomeneo*, in which Trevor Nunn made his opera début, has been (I feel) over-praised; the new *Cenerentola* was roundly, and justly, condemned for its frou-frou sets and tiresomely jokey manner. The return of the celebrated *Intermezzo* was, indeed, the exception to the 1983 Glyndebourne rule of complacency not quite justified by the product; with the 1984 season, and the installation of Peter Hall, the prospect brightens once more.

The new Bayreuth tetralogy, in which the combined talents of Hall, William Dudley (as designer), and Georg Solti led to the portmanteau title *English Ring*, was undoubtedly the opera world's Big Event of 1983—and its cruellest let-down (as an admirer of Sir Peter I hope to be eating my regret-filled words in a few years' time). Other travels took me to Paris for Messiaen's *Saint François d'Assise* (*hélas* . . .); to New York for the first week of the Metropolitan Opera's centennial celebrations (*Les Troyens*, despite evident flaws, stays in the mind as a memento of a big house operating at full steam), and for the City Opera's lovely *Cendrillon*; to San Francisco to admire Anja Silja's incandescent *Katya Kabanova* and a beautifully weighted *Ariadne*, both expertly conducted by Christoph von Dohnanyi; and to San Diego to be happily surprised by the all-round seriousness and thoroughness of that company's *Lohengrin*.

Leading that San Diego *Lohengrin* was the immensely grand Ortrud of Pauline Tinsley. *Let me round off this survey with a loud shout of complaint: why is this artist to be found performing all over North America and Europe, but almost never in her native land?* The single Tinsley appearance in British opera in 1983 was as an unforgettably powerful, subtle and distinguished Mother Marie in *The Carmelites* at Covent Garden: that, at least, was something, but not enough. The rest—the Coliseum, in Cardiff, Leeds and Glasgow—was silence. Miss Tinsley is one of Britain's very few genuinely exciting, full-size singing actors, at a time when *small* is becoming the familiar unit of measurement. I should love to know what it is that keeps her off our stages.

Gillian Sullivan in Opera North's Rebecca, Regine Crespin in Royal Opera's The Carmelites, Josephine Barstow *in ENO's The Valkyrie and Agnes Baltsa in Royal Opera's Carmen*

Not only do enormous numbers of people continue to flock to our concert halls, against the pessimistic expectations of the past two or three years, but opera—the most unmanageably expensive and accident-prone branch of the art—still thrives all over the place. True, the *Barbican Hall is still in anxious* search for a dependable audience (the brave Webern Festival there, sponsored by Olivetti, began to draw the houses it deserved only in its later stages), and some worthy concerts in the big South Bank halls have been sadly underpopulated; and the flurry of interesting musical events in St. John's, Smith Square, has subsided to a trickle.

Yet there is far more music *just in London itself* than we can begin to review on this page, and there are hundreds of sold-out performances. There are loyal little audiences for even the oddest things in the Purcell Room, and under William Lyne's management the Wigmore Hall—which had declined by the 1960s to a venue for doubtful débutants — is firmly re-established as a powerhouse of chamber music and *Lieder* (with a rich spread of solo recitals still). *And that* without benefit of modernisation!—for it still boasts as sympathetic an acoustic as London can offer. Compared to the other halls it is under-publicised; selfishly, one is glad not to find it packed out too often.

The Royal Opera and the English National Opera offered some duff revivals and a mixed bag of new productions, but a creditable number of distinguished and/or controversial successes proved that there is plenty of life in both institutions. If Massenet's ludicrous *Esclarmonde* at the Royal Opera defeated all excuses (and even then it cannot have done too badly, what with Dame Joan Sutherland and a production fetched from America by generous sponsors), Abbado *showed* in their new *Boris Godunov* what had been missing from the equally well-meant ENO performances. Poulenc's *Carmelites* was lovingly revived *after a very long gap, winning* admirers who had expected to find themselves immune to its devout blandishments.

Some Royal Opera standards looked tired: a pallid *Otello* (despite Domingo), a very sorrowful *Werther*, a *Clemenza di Tito* that had lost its old poise and delicacy. But *Don Pasquale* was ornamented by Luciana

Gunther Reich and Karan Armstrong in Lulu

Serra and Francisco Araiza, as well as Sir Geraint Evans' affectionate central character, and Berg's restored *Lulu* was if anything more powerful than before, with the Gotz Friedrich production thoughtfully tightened and Colin Davis still more searching with the wonderful score.

Since the plans to have Friedrich semi-resident at the Royal Opera foundered, David Pountney's production-regime at the Coliseum is what one looks to for daring musico-dramatic endeavours. Besides his own hallucinatory Balthus-style *Rusalka* (and revivals of his Janácek productions by the visiting Welsh National Opera as well as the ENO itself), it gave us Wagner's almost-unplayable *Rienzi* in a sensational Fascist staging by Nicholas Hytner — memorably vivid even for Wagnerians who thought it too un-tender for that flawed work. David Freeman's imaginatively plain version of the Monteverdi *Orfeo* was altogether winning, sensibly tidied now of some extraneous business and lucky in Laurence Dale as its hero, a tenor in exactly the right role at this early point in a very promising career.

New opera was hard to find. The latest fruit of the collaboration between Edward Bond and Hans Werner Henze (heard last night on Radio 3) was premiered in Schwetzingen; *The English Cat* reaches Paris next month, but there is no word yet of any British production. Quirky and sour-sweet. Bond's text (after Balzac) has drawn from Henze one of his most seductively wheedling scores. Inga Nielsen, whose high-flying vocal skills as Minette the put-upon cat matched her affecting charm, re-appeared at the Edinburgh Festival in another opera just as new to most of us, Zemlinsky's *Der Zwerg* (after Wilde's "Birthday of the Infanta"). After the luscious but banal decadence of its companion piece *Eine florentinische Tragödie*, the economy, invention and fresh magic of *Der Zwerg* — with Kenneth Riegel superb as the Infanta's wretched dwarf — were a revelation.

That was probably the high point of the current Zemlinsky revival, to which the Edinburgh programme gave a vital push. His quartets and his orchestral music were heard in many places, particularly—and quite properly—in the Barbican's Webern Festival. His songs, too; and it was a good year for *Lieder*. Sterling work as usual from the Songmakers' Almanac; a marvellous recital by Mitsuko Shirai, the most exciting new *Lieder* singer in years; a double brace of young Swedes who gave alarming intimations of the sweeping superiority of musical training in their country; Jessye Norman *hors concours*.

The Brahms anniversary was rather too assiduously celebrated by singers. Everybody now cultivates the skills required for Schubert and Wolf as best they can; but Brahms' broad, untheatrical style comes to life only with quite different treatment. There were pious statutory Brahms groups in recital after recital; it took Shirley Verrett in a Barbican *recital to demonstrate, splendidly and irrefutably*, what the music is really about. But I wish we could have a moratorium on anniversaries: by now one really fears to discover which much-performed household name is going to turn out to have died, or been born, 100 years ago—or 50, or 75, or 150, or 200. . . The possibilities are, regrettably, limitless.

A last word about Claudio Abbado. On the orchestral scene this has been, I suppose, a goodish-average sort of year, enlivened more often than not by an impressive series of guest conductors from abroad—and of course by the indefatigable Simon Rattle, who seems to remain firmly attached to his Liverpool base despite his regular South Bank successes (the whole South Bank Summer Music among them). Certainly the London Symphony has had mingled fortunes lately; but it's *not said often enough how fortunate they, and we, are in having* Abbado regularly on hand: exciting performer, invaluable trainer, constantly developing musician.

Arts Guide

Dec 30–Jan 5

Theatre

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262)

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaité Parisienne, but the intimate moments borrowed direct from the film. (757 2626)

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020)

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450)

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200)

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8646)

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200)

Carmen (Vivian Beaumont): Peter Brook has done an excellent job in transforming this Lincoln Center landmark into a spruced-up version of his grubbier Paris Bouffe du Nord home for a fast-paced, stripped-down seven-performer, but wholly engrossing version of Bizet. (874 6770).

Noises Off (Brooks Atkinson): Dorothy Loudon brings Michael Frayn's backstage slapstick farce to Broadway in Michael Blakemore's production that includes Brian Murray, Paxton Whitehead and Victor Garber as her backstage conspirators. (245 3430)

CHICAGO

E. R. (Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an *authoritarian nurse*. (496 3000)

WASHINGTON

Beyond Therapy (Kreeger): Christopher Durang's romantic comedy has all the elements of modern singles life including meeting through the personals column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3300)

As You Like It (Arena): The Napoleonic era with its bows to Romanticism are the setting of Douglas C. Wager's production with Frances Conroy as Rosalind and Tom Hewitt as Orlando. Ends Jan 1. (488 3300)

Agnes of God (Eisenhower): Hysterical pregnancy of a contemporary novitiate makes for emotional heat but *little light in John Pielmeier's melodramatic* play starring Elizabeth Ashley and Mercedes McCambridge. Kennedy Center (254 3670). Ends Jan 7

LONDON

Dancin' (Drury Lane): Bob Fosse's answer to A Chorus Line makes Wayne Sleep and his Dash company look like the real thing. At least the band is splendid, and so is Jules Fisher's lighting. Anyone who has seen Alwin Nikolais or even Fosse's own All That Jazz need not apply. (836 8108).

Blondel (Old Vic): It is a real pleasure to visit Honest Ed's Old Vic, full of light, space and pleasant stairways. Shame about the show, which not even Paul Nicholas's charm as a troubadour (rhyming with "fondle") in search of both Richard the Lionheart and a hit song can rescue. Blondel finds his king, but not the rhapsody. (928 7616).

Dear Anyone (Cambridge): Jane Lapotaire, without Piaf's songs, is still a very fine musical actress, but Jack Rosenthal's book to lyrics by Don Black and music by Geoff Stephens is nothing except a few Jewish *jokes*. Ralph Koltai's design for a newspaper office is an impressive steel astrolabe. (379 5299).

Hay Fever (Queen's): Penelope Keith is more "right" for Judith Bliss than were either Edith Evans or Celia Johnson. She is very funny, winsomely autocratic, distracted. The supporting actors roll over without protest. (734 1166).

Pack of Lies (Lyric): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the suburban Ruislip of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams. (437 3686).

***The Real Thing* (Strand):** Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production *strikes a happy note of serious levity*. (836 2660/4143)

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592)

Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888)

Little Shop of Horrors (Comedy): Tawdry, camp musical based on a 1960 Roger Corman B-movie about a man-eating plant which revives the fortunes of a Skid Row flower shop. The 1950s pastiche is a bit wan, but the lyrics sharp. The plant grows from cactus-like vulva to piscatorial, blues-singing peach. Ellen Greene repeats her off-Broadway performance which is something like Fenella Fielding only blonde and way *over the top* (930 2578)

JOBS COLUMN

It's not what you say, but how you say it

BY MICHAEL DIXON

THE BIBLE'S advice to "be swift to hear, slow to speak" has never attracted me as a new year's resolution. But if I don't adopt it for 1984 the only alternative is elocution lessons. And the same goes for a lot of other people, according to Professor John Honey of Leicester Polytechnic writing in the January edition of Personnel Management magazine.

If he's right, then the numerous readers who have telephoned the Jobs Column over the past 11 years probably decided instantly that it must be gargoyle-faced as well as block-headed and not be trusted unsupervised within reach of the petty cash.

The reason is that despite having lived in London for more years than I care to remember, I retain an unmistakeably regional accent. And research has shown that when asked to judge their fellow beings solely on the evidence of hearing their voices, people from every walk of life all do the same snobbish thing.

Speakers emitting the disinfected tones typical of the upper middle classes are ranked on a level with the minor saints at least. Edinburgh Scots as exemplified by the Leader of the Liberal Party is not far behind. The rest of us are judged less or more inferior in such qualities as "honesty, integrity, intelligence, ambition and even good looks."

The four accents at the bottom of the league are apparently London Cockney, Liverpool Scouse, Birmingham and Glaswegian. The general public is of course unjustified in assuming, in the absence of contrary evidence, that those four betray the appearance as well as the character of a half-witted gaolbird. I know a good number of people who speak each of the varieties, and some of them aren't like that at all.

The fact that my own accent is not among those four admittedly offers a modicum of personal comfort. But it's still less than encouraging even for someone speaking south-side Manchester to find himself being told by a professor that every time he opens his mouth he puts his Achilles heel in it.

What's worse, although I'm not yet entirely convinced that John Honey is right, he backs up the research findings he cites with what from my particular viewpoint looks like sound circumstantial evidence. For years and years, you see, I've been prattling away feeling confident that employers and other arbiters of social acceptability had ceased to discriminate on grounds of accent.

Indeed I've been going around feeling quietly superior to the lady who was head girl of Stockport High Schol when I was a prefect at the neighbouring direct-grant grammar. She has publicly confessed that soon after going up to Cambridge University she hid herself away and drilled herself in patrician speech until she was sure her south-side Mancunian had gone for ever. A little while later she got married and changed her name to Joan Bakewell.

Some comfort

That bit of detailed information, which could hardly have been known to a professor at Leicester Polytechnic, squares disquietingly well with another of his main contentions. It is that while a lot of males with regional accents have like myself deluded themselves that snobbery about speech is a thing of the past, females are generally more sensitive to the true situation.

"Women are much more likely than men to make efforts to adapt their local accent," he declares, "whereas some men show a tendency to cultivate the local accent their wives try to escape from, as some kind of badge of male solidarity and chauvinism."

Whether other regionally branded men have the same reaction to those words, I don't know. But they certainly come as a shock to one who has previously rather prided himself on simply remaining true to his roots, so setting an example to the generality of socially flibbertigibbet females.

To make things worse still, John Honey goes on to suggest that it is pointless for us vocally underprivileged folk to try to argue the speech snobs out of their initial disparaging judgments. Even though they usually don't know why they're doing it, he says, they write us off with the first syllable we utter and thereafter the content of what we say makes no impression on them.

"The point where evaluations of accent have most impact is at the first encounter. This is when snap judgments are made; this is when a kind of filter operates on the speaker's message, devaluing the content if the accent is held in low esteem by his or her listeners, but possibly also giving it a spurious dignity if the accent is one that is highly regarded."

In view of that, I can only hope that there are a fair number of regional speakers in this column's readership. For it would seem that if the whole lot of you glorify in patrician voices, then no matter how cogent my argument on behalf of the underprivileged minority, you simply won't believe it. In which case, I suppose I might just as well convert myself to Scouse or Brummagem and be done with it.

Fortunately, you've shown more than sufficient evidence of fair-mindedness over the last 11 years to encourage me to show that I still retain some of the same on my own account. For while—as I may perhaps have hinted—I feel somewhat personally affronted by the professor's thesis I can see that where some jobs are concerned it is sensible for employers to use accent as a criterion for recruitment.

However wrong it may be in principle for people to adopt snobbish attitudes to fellow humans' voices, there appears to be little doubt that such attitudes do exist in practice. So where doing a job successfully depends importantly on establishing instant credibility with patrician customers or colleagues, it is surely appropriate to fill the post with a speaker of disinfected English. Selling jobs are a case in point.

But that is no excuse whatever for employers applying the same criterion when recruiting for other types of work, surely the majority, where accent makes no difference so that speech snobbery can result only in reducing the chances of appointing the candidate best equipped to do the job well.

Professor Honey's recognition of that fact is shown by his advice to personnel managers to be constantly on guard against slipping into subliminal speech snobbery in inappropriate cases. Whatever a candidate's accent, he says, "in work situations in which employees have an opportunity to get to know each other, prejudices quickly evaporate and more solid criteria such as hard work, initiative and ability to work with others are more decisive."

But the burden of his message to regionally branded individuals on the job-seeker's side of the recruitment market seems nevertheless to be to get themselves an intensive conversion course in patrician English. Caution is needed in doing so, he adds, for if the result is the elimination of all natural speech traits and their replacement by an overly cut-glass accent the speaker will still be liable to suffer. "The hoity-toity or haw haw quality of such speech has great power to turn people off, indeed to put their backs up."

While that may be true, however, I cannot agree with him that the only compensating advantages gained by a voice over-polished by elocution lessons are in things like "securing credit in Harrods or a box at the theatre." I don't think the Prime Minister would agree with him either.

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THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Poster advertising in Japan

A taste for whimsy and surrealism

Hilary McLaine describes how Western techniques have been superseded by home-grown styles

POSTER advertising might have been invented for Japan. It allows the touches of whimsy and surrealism that lurk as national characteristics to be portrayed in an engaging commercial context, yet can be easily regulated. It can run riot in urban areas where the plethora of messages that assail you in this most congested of countries reflects the vitality of the society and it can be quietly and thankfully forbidden when the countryside takes over and Mammon is left behind.

The rapid and inevitable growth of Japan's road and rail networks created a ready-made boom for the poster industry and one of which the advertising industry is ready to take full advantage.

Using a combination of any three railway lines (Japan's network comprises a national system, many private lines and subways), in one week a poster advertiser can reach half the adult population of the country. A poster in Tokyo's Shinjuku terminus alone reaches 2.5m commuters every day.

Station concourse posters change every seven days, while the ubiquitous hanging posters in the trains switch after only two days. At such a dramatic pace, a successful poster has to have power and impact.

Entertainer

The cultural respectability of advertising in Japan has reached far higher proportions than in the West: the creative director stands alongside musicians and actors as a worthy entertainer and is to be found on the roster of TV chat show guests.

The posters illustrated demonstrate how differently the medium is handled. Japan's cultural heritage, deeply entwined with the complexity of language and its ambiguities, have formed traditions in advertising very alien to the West. The more hard sell and obvious techniques of Western advertising which the Japanese copied two and three decades ago have long since been supplanted with home-grown styles and characteristics. The power of the message lies in what you don't say. So the posters advertising a car and a department store perhaps need some explanation.

The launch of Toyota's new look Celica car has been one of this year's most successful poster campaigns and is the work of Dentsu, one of the largest agencies in the world.

Grace Jones, the black model and singer, was the inspiration for the campaign, according to its art director, Hideyuki Fujiwara. "I see her as a symbol of power and beauty," he says. The fact that the agency was able to sell the idea to the client is in itself surprising, judged by Western styles of motor advertising, but Fujiwara adds: "Most of the Toyota people didn't know who she was; if they had done then maybe they would have thought differently. The technical division especially liked her—they like innovation!"

Toyota's Celica car promotion and an in-store poster at Seibu, one of Japan's major department store groups

Poster art like this is in the vanguard of Japan's new wave of graphic energy and is being applied to a growing number of product categories. In the last decade during which the power of posters has been "rediscovered," department stores, especially the dynamic Seibu group, have led the way in avant-garde poster promotion. Their style and flair for self-promotion have been fresh and exciting, though lately it has been Japan's burgeoning magazine industry that has pushed even further ahead in the world of posters.

This autumn *Playboy Weekly* was launched with a poster, again from Dentsu, showing a typical Japanese schoolgirl prancing through a men's urinal. The copy refers to "a heart flutter every Wednesday." "A visual scandal" was the desired effect, explains the agency, although it confessed that within the agency the poster was criticised "because the latrine looked too beautiful to be real."

It is important to recognise that the moral codes guiding Japanese society and those which govern advertising restrictions are often in such contrast to those in the West that it is difficult to make value judgments on the effectiveness of the message in the domestic market. Hence, where a pop record poster featuring a provocative gesture, plus the copy-line "Tonight, from Inone Yosui—17 centimetres," would offend the more prudish among us, it offers no offence to the Japanese. Yosui's campaign was prepared for For Life records by McCann-Erickson Hakuhodo.

It is also recognised that to appeal to that all-important target market of young people with high disposable incomes, advertising must offer much more than the conventional or the beautiful. It must be funny or it must shock.

Competition among the plethora of girlie magazines is fierce and gives ample scope for such a brief. In response to the overtly sexy campaign for *Penthouse*, the monthly *Playboy* ran a poster of a trendy male model in an off-the-shoulder dress shirt, with the line "Playboy means business."

It is easy to be confused by the use of Western models and indeed the use of English words. They are both part of the overall scheme—to achieve impact and power. Graphically they are two elements which offer a variety of style and hold a certain status. But their use does not represent an emulation of Western style. As Dentsu confirms: "Themes may look Western but the technique is very Japanese."

The Seibu promotional formula (which relies heavily on gesture) is a good example. One of last year's most famous campaigns featured Woody Allen, the American entertainer, in his first ever product endorsement illustrating the store's theme of "Tasteful Life."

Seibu's extensive use of posters in-store is another interesting development of the medium. The company's director of promotions, Seiichi Mizuno explains: "Over the last 10 years and especially in the last two or three, posters have become more powerful. They represent a sub-culture all their own. We have 100,000 shoppers a day in our store, so we see the store itself as a medium. We use posters not only to impart information but to reinforce our philosophy to the consumer."

The kaleidoscope of themes, which change frequently during the year, are echoed strongly in point-of-sale material and floor displays to produce an integrated corporate identity which is registered very strongly with the consumer.

Posters have helped Seibu attain its dominant position as the top-ranking department store, by communicating a spirit of constant innovation and international lifestyle. For instance, a cult has grown up around the advertising for Parco, one of Seibu's subsidiaries.

Imaginative

Parco is a concessionary retail chain and rents space to a selection of independent "fashion" retailers. It was set up 15 years ago in response to the need for young people to have a meeting place (hence the name, which is Italian for park). Seibu has created an imaginative environment which young people have readily taken to. It has concentrated advertising on creating an "image" for Parco and has been so successful that books of Parco poster ads have become collectors' items.

The poster advertising industry takes its environmental responsibility very seriously and in the country's most beautiful and historically rich areas like Kyoto and Nara, outdoor advertising is strictly controlled. But in the cities and newly spawned connurbations the canvas will continue to be prized mainly for the exploitation of the medium by Japan's ad-men artists.

Chrysler's magic wagon

Pinning hopes on a 'flair for the unexpected'

Chrysler's Voyager: seats seven, sleeps three

CHRYSLER calls it the magic wagon. It is no larger than the company's compact K-car range and is only infinitesimally wider. But it seats 7, sleeps 3, is capable of carrying mounds of luggage, and does all this while *returning petrol consumption* figures well above the U.S. average.

The vehicle in question is the Chrysler Voyager or Dodge Caravan, a new mini-van which will be officially launched in January with a heavy responsibility for promoting Chrysler's message of resurgent innovation. It is aimed at the car market, and, by all accounts, drives like an average saloon. But it has the space of a van, because it is shaped like one, and can be used as a conventional commercial vehicle. Hence Chrysler's choice of advertising motif—a "magic" vehicle which is all things to all men.

This wide-ranging ambition for the mini-van, however, also emphasises a central marketing problem. Chrysler expects the appeal of the model to be so wide that it does not want to target its promotion at any one consumer segment—hence the imprecise magic van theme in its advertising.

Chrysler market research suggests that there are potential sales for the vehicle in the range of 500,000 a year against its own potential output of 300,000. But it concedes that it does not know exactly where the demand will come from.

One of the reasons why the base platform of the vehicles was kept low was to help women, traditionally antogonistic to vans. Beyond that, however, it is looking at an extremely varigated bunch of prospective buyers, from a large family that would prefer it to an estate, to a converted saloon owner who wants more room, or a small shopkeeper who would like to use it partly for business.

The concept of such a vehicle has been tossed around by car marketing departments and engineers for many years, spawning models like the familiar old Volkswagen Dormobile and Toyota's small van, the Space Cruiser. Designers have been toying increasingly with the idea of building vehicles upwards to create space rather than expanding the floor area. But the attempts up to now have yielded what are unmistakably converted vans, with heavier handling characteristics, larger dimensions, and all the difficulties of clambering into and out of vehicles with a relatively high floor.

By creating the mini-van, Chrysler believes that it has overcome these problems: the Voyager, it claims, is a revolutionary hybrid which can be used equally well by commercial or private car owners. The key to this dual purpose lies in the management's decision back in the late 1970s to become, as it puts it, a front wheel drive company. In those days Chrysler was on the point of financial collapse. But the mini-van was given the go-ahead more or less at the same time, shortly after Lee Iacocca's arrival as chairman galvanised the company into action.

Iacocca, a marketing man with a flair for the unexpected, had previously pursued similar model plans at Ford. But these ideas had never gone beyond the drawing board, because the engines at that time took up too much space and it was never possible to get the floor base low enough. Chrysler, however, had already gone a long way down the road towards front wheel drive. The designers decided they could push a transverse engine well forward, thus creating space behind, and allow the floor pan to be lowered as the rear-wheel drive train disappeared.

It was a simple enough idea, but a very difficult decision to make as the company was living from day to day in the shadow of the financial guillotine. To make the vehicle, Chrysler had to invest $600m in stripping out and redesigning an assembly plant, to say nothing of development costs. Nor was it clear at that time—and it is not clear now—whether the market really existed. But Iacocca and Harold Sperlich, president of the North American auto division, and another ex-Ford man, plunged ahead on the grounds that the vehicle represented the sort of dramatic departure from accepted norms that would help it project a dynamic new image.

"It does more than just give us extra volume," says Bud Liebler, Chrysler - Plymouth general marketing manager. "It continues to develop our image as an innovator."

The Voyager is important to the company in one other respect. Chrysler is banking on the unusual vehicle pulling people into its showrooms — some for the first time. Ford and General Motors both have similar products on the stocks, but these vehicles are not expected to be ready for about a year; meanwhile, Chrysler will have public curiosity all to itself.

Chrysler is aware that what will essentially be a new segment of the market may well hurt sales of some of the group's own cars. But one small comfort in being the laggard in the market place is that its competitors stand to suffer most from any new idea. Chrysler, with only 12.4 per cent of the total U.S. market at present, really has very little to lose in posing this new challenge to the marketing machines over at Ford and GM.

Terry Dodsworth

INTERNATIONAL APPOINTMENTS

COMPANY NOTICES

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Amount outstanding: UA 16,195,000.
The Fiscal Agent
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LEGAL NOTICE

NOTICE
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(in Voluntary Liquidation)

NOTICE IS HEREBY GIVEN that all persons having claims against Chapter Gilt Fund Limited, which is being voluntarily wound up, formerly of Queen's House, Don Road, St Helier, Jersey, C.I. are to send detailed statements of the same to arrive not later than 31st January 1984 to the Liquirator,
MR LESLIE R. CRAPP,
of COOPERS & LYBRAND,
La Motte Chambers,
St Helier, Jersey, C.I.:
and all persons indebted to the said Company are requested to settle with the said Liquidator within the same period; and all persons claiming to be Shareholders or Investors in the said Company are to submit their full chrisian names, surnames, and addresses, and full particulars of their alleged shareholdings or investment together with copies of all relevant documentary evidence in support, to the said Liquidator within the same period.

LESLIE R. CRAPP,
Liquidator.

30th December 1983

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CLUBS

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Thursday January 5 1983

Staying on in Beirut

THE U.S., France, Italy and Britain—the four contributors to the multinational peacekeeping force in Beirut—are facing in varying degrees a rising tide of domestic criticism to continued presence of their troops in Lebanon. The demands for withdrawal have been particularly vociferous in the U.S. where the onset of a Presidential election year is concentrating attention on the more vulnerable aspects of Mr Reagan's foreign policy.

The 350 deaths already suffered by the multinational force are not easily justifiable in terms of progress towards a long-term solution to Lebanon's problems. Neither is it easy to argue that the immediate prospects are much brighter. But the four governments' unanimous desire to pull out of Lebanon is tempered by the need to do so with some honour and without provoking worse killing and greater civilian suffering than before they arrived.

The multinational force was deployed in part to protect the civilian population in the wake of the massacre of Palestinians in the refugee camps at Sabra and Chatilla.

When the French contingent suddenly evacuated two positions near the refugee camps just before Christmas, an estimated 50 people died in three days of fierce fighting between the Lebanese army and Shia Moslem militias. Lebanon abhors vacuums, and if the Western governments involved in peacekeeping choose now to create them they must do so mindful of the consequences.

Equally, the European and American troops cannot remain in Beirut for ever, or continue to suffer casualties in the sole name of preventing worse atrocities. As the U.S. should have learned from those who tried previously, Lebanon is not susceptible to militarily imposed solutions.

The main thrust of American and European policy in Lebanon must be aimed at achieving some momentum towards a political understanding, while acting militarily only in direct and immediate defence of the peacekeeping forces.

To this end, the four partners should make clear to President Gemayel of Lebanon that there is a limit to the amount of time he can be allowed before demonstrating more clearly his willingness to accept greater power-sharing among the Lebanese communities.

The U.S. has also to act decisively to improve its relations with Syria. Damascus's interests in Lebanon cannot be ignored and it is not possible, without a massive military commitment, to drive its forces out of Lebanon. The release of the U.S. pilot on Tuesday, Mr Reagan's letter of thanks to President Assad, and the forthcoming visit to Syria by Mr Donald Rumsfeld, the U.S. envoy, offer the chance for a new chapter to be opened.

The immediate stumbling block is the May 17 troop withdrawal agreement signed between Israel and the Beirut government, to which Syria and Lebanese opposition forces have taken such violent objection. The one area of agreement at the Geneva talks between all the Lebanese factions last November was the "essentially Arab character" of Lebanon. They called for a renegotiation of the May 17 accord in order to deny Israel the opportunity of diminishing that "Arab character."

This Israel has refused to contemplate, but given its own government's desire to reduce its presence in Lebanon and the now even closer relations between Jerusalem and Washington, there should surely be some room for Israeli flexibility.

Syrian guarantees

Syria has pledged in principle to pull out its forces in the wake of any Israeli withdrawal. Although it is right to be highly sceptical of Syria's intentions, U.S. officials do credit President Assad with having honoured previous agreements struck with Washington. Certainly there will be no way of testing them until the Beirut-Israel agreement is renegotiated.

However, any renegotiation must also find a satisfactory formula, including Syrian guarantees, whereby the southern Lebanese border will not again be used for attacks into Israel. Only when the parties have indicated some willingness to consider a solution along these lines will it be credible to start discussing the possible deployment of United Nations forces.

Speed is essential. Without evidence of progress towards a diplomatic solution the member governments of the multinational force may be forced to bow to domestic pressures, to the detriment of both their interests in the region and most immediately of the Lebanese people.

The future of shipbuilding

THERE SEEMED a chance last night that the national shipbuilding strike planned to start tomorrow would be called off. The management of British Shipbuilders has consistently argued that the effect of a strike will be to accelerate closures of capacity which are in any case inevitable. It is also possible that the impact of a strike on customer confidence will bring about a larger contraction in British Shipbuilders than would be necessary if management and unions set to work immediately on making the business as efficient as possible.

Clear mandate

If union leaders think that by striking they will cause the Government to change its policy towards the industry, they have learnt nothing from the events of the past four years—not least the steel strike of 1980. Since the Thatcher Government came to power in 1979, BS has received £840m from the taxpayer. Heavy losses are continuing on the commercial side of the industry; it is quite clear that, on any realistic view of the UK's share of the world market, capacity is far too large. The present Government has a firm policy towards the industry, which is to reduce the burden on the taxpayer, and it has given Mr Graham Day, the chairman, a clear mandate to carry it out.

Since taking up his post in September, Mr Day has sought to instil a sense of realism on costs and efficiency and, in particular, to negotiate the removal of the restrictive practices and demarcation rules which have bedevilled the industry for years. A far-reaching productivity agreement was agreed by national union leaders at the beginning of November but rejected a few weeks later by shipyard delegates, who felt they were being asked to concede too much too quickly; they wanted a more leisurely approach to change.

How far this attitude reflected the carefully considered views of the workforce as a whole may be doubted; in may be that the full implications of what is being proposed have not been adequately explained. It is, in any case, misleading to think of British Shipbuilders as a homogenous industry. Quite apart from the naval yards, which should have a secure future, there are wide disparities in size, efficiency and profitability between the various commercial yards. Some are chronic loss-makers, like Scott Lithgow on the Clyde, while others, such as Sunderland Shipbuilders in the north-east, have improved their performance and have been relatively successful in winning orders.

Equally, there are differences in the impact which the proposed productivity changes would have on different unions in the industry. The boilermakers' trades, where the management is pressing for full interchangeability, is a particular target for attack and it is this section of the workforce which is most unhappy with Mr Day's proposals.

It used to be thought that nationalisation gave unions additional bargaining power, arising from the centralisation of pay bargaining and their ability to bring an entire industry to a standstill. But as the steel workers discovered in 1980 the unions' power is constrained by the market for their industry's products. In both steel and shipbuilding there is serious world over-capacity. In both industries, too, the unions have to contend with a government which has no intention of protecting them from the consequences of their own mistakes; in shipbuilding it is firmly resolved to reduce the level of taxpayer support.

Commercial shipbuilding in Britain is certain to decline in size, but there is no reason to suppose that it will disappear. As yards in other parts of northern Europe have shown, it is possible to compete effectively in sectors of the market, mainly for specialised vessels, against the low-cost shipbuilders of the Far East. Britain's problem is that there is a large productivity gap, not just with the Far East, but with the best yards in Germany, France and Scandinavia. This is the gap which Mr Day is determined to close and there is no practical alternative for the unions but to work with him in creating a more efficient industry.

U.S. OIL INDUSTRY

Getty's billion-dollar surprise

By William Hall in New York

IF J. R. EWING, the arch villain of "Dallas," the TV soap opera, was to announce tomorrow that he was stepping into the fight for Getty Oil, one of the richest oil companies in the U.S., the only person who would probably be surprised would be J.R.'s little brother, Bobby, who as usual would not have been told what was going on.

The battle for control of Getty Oil, which lies at the heart of one of the biggest family fortunes in the world, makes the behind-the-scenes manoeuvrings of TV's mythical Ewing oil family look like child's play. In the best TV traditions, the real-life drama at Getty Oil has been fought out at secret meetings in London's Claridges Hotel, in the corridors of one of the world's richest museums and in corporate suites around the world. And it is backed by a supporting cast of lively characters pitted against each other in a deep-seated family feud.

The battle took another surprise turn yesterday, when Gordon Getty, the favourite son of the company's famous founder and reputedly the richest man in America, announced a merger of Getty Oil with Pennzoil, a much smaller company. The deal values Getty at close to $9bn.

It is well up in the league with other billion dollar transactions in the U.S. oil industry such as Du Pont's $7.6bn bid for Conoco or U.S. Steel's $6.4bn bid for Marathon Oil, and is the latest, but not necessarily final step, in a bitter boardroom dispute.

The 50-year-old Gordon Getty, a music enthusiast turned businessman, has been struggling for months to wrest management of his father's company away from a board which did not see eye to eye with the wishes of the company's biggest shareholder, the Sarah C. Getty Trust of which he is the sole trustee.

Yesterday's news indicated that Gordon Getty will end up increasing the shares he votes in the company from the present 42 per cent to 57 per cent but Wall Street observers said yesterday that they thought that Pennzoil's chief executive, J. Hugh Liedtke, who was given his first big break in the oil business by the late J. Paul Getty, will be the one really running the business.

Pennzoil, which has a reputation as a much better finder of oil and gas than Getty, will contribute $2.6bn in cash and Getty's shareholders will be offered $110 per share. In addition, Getty plans to sell off its recently acquired insurance company for over $1bn and Getty shareholders will receive an extra sum of at least $5 per share within five years.

The J. Paul Getty Museum, the second biggest shareholder, is expected to sell its stake in the company leaving Gordon Getty and Pennzoil in control. Following the merger, the two major owners of Getty Oil will "endeavour in good faith to agree upon a plan for restructuring Getty Oil on or before December 31, 1984." If they are unable to reach agreement "they will cause a division of assets of the company."

The late Paul Getty, who founded the company, and (from centre to right) Gordon Getty, trustee for the largest shareholder, Harold Williams, trustee for the second largest shareholder, and Sidney Petersen, chairman of Getty Oil.

Getty Oil, which ranks among the top half-dozen U.S. oil companies in terms of the size of its domestic reserves, has turned in a lacklustre performance since the death of its legendary founder in 1976. The famous man once said he might be considered a bad boss since "a good boss develops successors." On another occasion he said, "there is nobody to step into my shoes."

Wall Street has watched the company's unsuccessful efforts to diversify, noted its poor record at finding oil, and concluded that perhaps the old man was right. Getty Oil has long been considered one of the ripest plums in the U.S. oil patch. In 1980 the Kuwaitis offered $1bn ($82 per share) for a 15 per cent stake in the company, but were politely rebuffed.

Since then countless other investors have run their slide rules over Getty but have refrained from mounting a takeover attack because majority control was vested in the Sarah C. Getty Trust and the J. Paul Getty Museum, which together control 52 per cent of the Getty shares. Any bidder had to win the support of the two trusts and until very recently neither trust showed any signs of wanting to change the status quo.

The central character in the boardroom drama is undoubtedly Gordon Getty, the favourite son of the late oil man, who has been left in charge of the family fortune, which consists almost entirely of more than $3bn worth of shares in Getty Oil, entrusted to the Sarah C. Getty Trust.

For many years Gordon did not take a very active interest in the family business, spending much of his time quietly composing music from his San Francisco home. However, with the death, in 1982, of C. Lansing Hays, the family's trusted adviser for the past 50 years, Gordon Getty began to become more heavily involved in the company's affairs and some time last year appears to have concluded that the existing Getty management, many of whom had been hand-picked by his father, were not running the company as well as they should.

Getty managers, led by chairman Sidney Petersen, believes that the company's long-term interests are best served by diversifying, and they have not been at all happy about Gordon Getty's increased participation in the company's affairs. Indeed, according to Mr Getty's lawyers, the Getty Oil management has been surreptitiously trying to weaken Mr Getty's power as sole trustee for the past year.

The central character in the drama is Gordon Getty, who has been left in charge of the family fortune

The bitter behind-the-scenes row between Gordon Getty and the Getty Oil management first surfaced publicly last October when the company announced that it had reached a one-year "standstill" agreement with its two biggest shareholders, the Sarah C. Getty Trust, which controls 31.8m of Getty Oil's 79.1m shares, and the J. Paul Getty Museum, one of the most heavily endowed art museums in the U.S. (courtesy of the Getty millions) which controls another 9.3m shares.

The agreement raised more questions than it answered. Under it the two trusts agreed not to sell their shares for 12 months, but until then there had been no indication that they had any intention of wanting to pull out of Getty Oil at all. The more astute Wall Street punters began buying Getty shares.

In the following weeks, as both sides began to tell their story, it became clear that Gordon Getty, in his role as trustee of the Sarah C. Getty Trust, had been bombarding the Getty Oil management with suggestions about how it could enhance the value of Getty shares which had slipped as low as $33 at one stage, a far cry from the $82 per share the Kuwaitis had offered in July 1980.

Responding to Gordon Getty's prodding, the company hired Goldman Sachs, the U.S. investment bank, to advise it on how to maximise the value of its shares. One of its suggestions was that the company begin buying back its shares, a fairly common ploy whereby cash rich U.S. oil companies can boost their share price for the benefit of shareholders.

Gordon Getty was immediately attracted to the idea and last July proposed to the company that it purchase enough of its shares so that the effective stake of the Sarah C. Getty Trust, which he controls, was increased to more than 50 per cent. The company baulked at this suggestion, since it did not feel it was right to use company funds to assist Gordon Getty in effectively obtaining majority control of the company.

Throughout the autumn, Gordon Getty continued to suggest ideas ranging from Leveraged buyouts to a partial liquidation of the company to Sidney Petersen, the Getty chairman, but with little effect.

By early October, Gordon Getty's patience was fast running out and he turned to the J. Paul Getty Museum for support in a bid to unseat the entire Getty Oil board.

At a hurriedly convened board meeting in Philadelphia on the first Sunday of October (his lawyers say that Gordon Getty, a board member, was unable to attend because he had not been told in time), the Getty board began lining up its defences. One solution which made some sense was to mount a challenge to Gordon Getty's position as sole trustee of the Sarah C. Getty Trust.

Ever since the death of Lansing Hays, who had monopolised the stewardship of the family's affairs, Gordon Getty had been the sole trustee. His father had also nominated Security Pacific National Bank as a trustee, but for its own particular reasons the bank had never taken up the position.

Getty management had already taken soundings among other Getty heirs and found that some of them were becoming concerned at Gordon's actions and wanted to see him joined by a corporate trustee as a safeguard to their interests.

At the same time the Getty board gave the "green light" to a secret plan to issue up to 9m new shares in the event that they could not reach agreement with Gordon Getty. This would dilute his control over the company, they reasoned.

The following day representatives of the two sides met in secret in London and apparently agreed to a deal whereby the Sarah C. Getty Trust would increase its stake to over 50 per cent in return for appropriate safeguards for minority shareholders. However, Mr Getty rejected the agreement the next day, according to the company's version of events, and instead put a deal to the Getty Museum which involved sacking the existing Getty board and replacing it with their own men.

This time is was the turn of the museum, headed by Harold Williams, a former chairman of the Securities and Exchange Commission, to reject Mr Getty's plan. Conscious of the museum's own pivotal role in the company, Williams proposed a one year standstill agreement to let tempers subside on both sides.

On October 19 the company and its two biggest shareholders agreed to Mr Williams plan. At the same time, Mr Williams was given a seat on the board, where he joined Harold Berg, the former Getty oil chairman and trustee of the museum, and Gordon Getty was given the chance to appoint four new directors to the Getty board which was expanded in size to 17 in all.

For the next few weeks the row between Mr Getty and the management of Getty Oil, the "hired hands" as one Getty lawyer referred to them, appeared to cool. But it suddenly broke into the open again in mid-November when Mr Getty's brother, Eugene Paul Getty, who lives the life of a recluse in London, began legal proceedings to get another corporate trustee, Bank of America, appointed to the Sarah C. Getty Trust.

Gordon Getty's lawyers suspected management was behind the move and their suspicions appeared to be confirmed when Getty Oil added its weight to Eugene's legal action by intervening in support.

The short-lived truce, which had begun with the standstill agreement, had been well and truly broken. Gordon Getty, Harold Williams and the new Getty Oil directors appointed as a result of the agreement, immediately requested a board meeting to force Getty Oil to drop its legal action. This was refused.

Shortly afterwards, the Sarah C. Getty Trust and the Getty Museum announced that they had changed the company's bye laws to give them broad power to veto management decisions.

For just over a fortnight Getty Oil chairman, Sidney Petersen, stood his ground but a couple of days before Christmas he announced that the oil company was dropping its legal action in support of the appointment of another corporate trustee to the Sarah C. Getty Trust. Now the whole future of Getty Oil's most senior management must be in the melting pot.

Men & Matters

Davies departs

A six pence jump in the share price of London Trust to 80p yesterday looked like a bit of a back-handed compliment to chairman Edward Davies, who has announced that he is resigning at the end of March.

Deputy chairman Ernest Bigland is to step into his shoes. It is not yet known whether 58-year-old Davies, who for a time was Governor of the giant Globe Investment Trust and sits on a number of other boards, will remain a director of London Trust.

A darling of the investment trust sector in the 1970s, the Hon Teddy's flamboyant style and brave but unfashionable enthusiasm for unquoted companies subsequently rebounded on him as a number of investments went sour and London Trust's stock market rating deteriorated.

Just over a year ago, Davies "relinquished his executive responsibilities" and former Trafalgar House pension fund manager Henry Berens came in to take over the day-to-day running of the portfolio.

Berens has been labouring had to tidy things up and has enjoyed several successes over the year (six public listings) as well as putting six companies into either receivership or liquidation.

The excitement in the market, however, stems from the news that London Trust, along with its stablemate River and Mercantile, has decided to end its long-standing relationship with Rivermoor Management Services and is negotiating a new investment contract with a so-far unidentified party.

Henderson Administration, merchant bankers Hill Samuel, and John Govett have all been mentioned as possible partners—and cursory discussions are believed to have been held with Robert Fleming. But the increasingly international character of the financial services sector means an overseas outfit cannot be ruled out.

"My constituency management committee doesn't understand me."

Seconds out

Malcolm Thornton, Tory MP for Crosby and parliamentary dogsbody for Patrick Jenkin, sallies forth today in search of some (any?) support for the embattled Environment Secretary.

The dutiful Thornton will propose, in a debate at the Merseyside Chamber of Commerce and Industry, that the chamber supports Jenkin's plans to abolish Merseyside County Council. The motion will be opposed by Keva Coombes, leader of the council's controlling Labour group.

And the seconders? "Not necessary," says Keith Robinson, the chamber's director, dismissively.

Well, actually, one Tory Euro-MP wanted to second Coombes' opposition — but nobody of any standing could be found to second Thornton's case.

Neville Goldrein, leader of the council's Tories, and his group, are opposed to the abolition plans. And other Tory MPs, probably realising that there will be few local Brownie points to be won on the issue, are all otherwise engaged.

As for the Chamber of Commerce, its leaders and policy-makers have already come out against the plans and its council makes its decision next week.

The vote today, Robinson says, will not be binding — if it is decided to have a vote at all.

Kirk's catch

Kent Kirk, the Danish trawler skipper whose arrest in Britain caught the headlines a year ago, looks certain to be elected to the Danish Parliament in next week's General Election.

The doughty 35-year-old, who sailed across the North Sea to challenge Britain's right to ban Danish fishermen from UK coastal waters, is a Conservative Party candidate in West Jutland. He is already a member of the European Parliament and often tipped as a future leader of his party.

Kirk's case against the UK Government—that its restrictions are incompatible with EEC law—comes up for judgment in the European Court at the end of next month. If he wins, he plans to sue the British Government for DKr 750,000 (about £53,000), the estimated cost of last winter's North Sea crossing and his legal bills.

Kirk is obviously finding his brush with the law less of a political handicap than that of another of Tuesday's election candidates, Mogens Glistrup, founder and titular leader of the anti-tax Progress Party.

Glistrup, a 57-year-old former lawyer, is currently serving a three-year jail sentence for tax fraud. He was expelled from the Folketing last summer, immediately after the High Court had rejected his appeal.

Denmark's progressive penal system allows its convicts more contact with the outside world than most—so Glistrup has saved five days Christmas leave to join the election campaign. He is a candidate in Copenhagen county and his party expects him to win a seat.

It will be up to the new Folketing to decide whether he is worthy to take his place — and almost a foregone conclusion that he will again be expelled.

That would leave him to keep in touch with his party and parliament through the pay phone at Horseroed prison, near Hamlet's Elsinore.

Smoke cloud

Any takeover generates a certain anxiety among the staff of the target company, no matter how remote they may be from the front line. So it is with BAT's apparently successful bid for Eagle Star.

Out at Tring, in Hertfordshire, Champneys' health resort — owned by Eagle Star subsidiary, Grovewood Securities—is wondering what attitude BAT will adopt towards its five-day anti-smoking sessions.

The Tuesday - Saturday courses, devoted to helping people to give up the weed on which BAT's fortunes are founded, have been an integral part of Champney's health treatments for some time. Run on a "no-cure no-fee" basis, the courses have so far yielded a 75 per cent success rate.

It will be interesting to see how BAT resolves this conflict of interests.

Stop-gap

"God Will Provide," declares a poster outside a South Wales chapel. Below it has been added the pencilled advice: "But go to Social Security while you're waiting."

Observer

ECONOMIC VIEWPOINT

The future hasn't yet happened

By Samuel Brittan

ONE NOBEL-PRIZE winning economist, now in his eighties, claims that he cannot recall any economist making a fortune—or even a living—out of forecasting the future, although he could think of many who had done very well by selling their forecasts.

Keynes is often thought to be the exception, but this is doubtful. Keynes's successful speculations were made in the commodity markets, on which he claimed no special expertise. His most disastrous ventures, from which he had to be rescued by his father in the 1920s, were in the foreign exchange markets of which he was a lifelong student.

The most important thing to say about the future is that it has not yet happened; and the next most important thing is that it can be influenced by human action. So even if we did have a good method of making forecasts in secret, the mere act of publishing them would be likely to set in train events which would make them untrue.

Not only can the future be influenced by human action, it can also be influenced by new knowledge, which by definition we do not have, and the implications of which we do not know.

The only data we have relates to the past. This applies to the natural sciences too. But the astronomer is dealing with regularities which have no simple parallel in human affairs. The study of both recent and more remote trends can point to some of the main forces at work in the remainder of the century, some of the dangers and opportunities, but by no means all; and I doubt if the resulting studies should be dignified with the word forecast.

* * *

An awful warning about the dangers of the fashionable long-term doom mongering that is now so prevalent was provided more than a century ago by a study of "The Coal Question" by the famous economist Stanley Jevons, published in 1865.

His thesis was that the British economy was dependent on coal; and its need for that fuel would multiply at a growing rate. This need would come up against the increasing difficulty of extracting coal. Being a good economist, Jevons was more sophisticated than the more recent ecologist doomsters of the Club of Rome variety. He was careful not to talk of absolute physical limits; but the need to mine to greater and greater depths. This would "greatly enhance the price of coal. It is by this rise that gradual exhaustion will be manifest." He predicted that the average depth of mines would be 4,000 feet; and the costs of the fuel would soar.

Jevons investigated and rejected the view that Britain could either depend on coal imports or on petroleum. The "natural supply of petroleum," he believed, was far more limited than that of coal. Indeed the main source of new petroleum was thought to be distillation from coal itself, "an aggravation of the drain rather than a remedy."

His conclusion was that the rising cost of coal would first check the growth of prosperity and eventually render the population excessive. "Emigration may relieve it, and by exciting increased trade tend to keep up our progress; but after a time we must either sink down into poverty, adopting wholly new habits, or else witness a constant annual exodus of the youth of the country." He cited the vision of a New Zealander a century hence looking down from London Bridge on the ruins of a city. He warned that the image was an exaggeration and distortion of his message. But the image stuck.

Jevons' warnings, backed by the thundering of physical scientists such as Prof Tyndal, attracted the attention of Gladstone and were commended by John Stuart Mill. The episode is recalled, not to mock Jevons who, so far from being a fool, was one of the most distinguished economists of his age.

The superiority of Jevons over current doomsters appears from his discussion of remedies. He rejected both physical controls on the use of coal and the seemingly more attractive alternative of a coal tax as undesirable as well as impracticable. He was extremely suspicious of gimmicky solutions (in which category he unfortunately put petroleum).

The one semi-technical proposal he made was to reduce and repay the National Debt. He did not explain in detail how exactly this would help. But what he had in mind was an increase in private capital formation, some check to consumption and a larger nest egg to fall back on when the dreaded coal crisis arrived.

Stanley Jevons (1835-82).

His coal alarm is an awful warning about fashionable long-term doom mongering

But all this was damage limitation. Jevons thought it inevitable that national prosperity would soon reach a peak and then decline. His main emphasis was on measures of social amelioration as "we must do today what we cannot do so well tomorrow." He wanted general education for the masses; and above all restrictions on child labour; and he championed the rights of children against parents who insisted on having their earnings as soon as possible.

The distinguishing feature of Jevons' proposals is that they made some sense in their day in their own right; and their value did not disappear because energy demand did not grow as he feared and coal substitutes arose. This is in contrast to present doomsters who would enforce "zero growth" or compulsory reduction of working time for adults, which would be extremely harmful if their own forebodings are wrong.

* * *

The tempting error which the Jevons coal scare exemplifies is that there can exist a "science of human destiny" which can enable us to predict the future course of history. The error springs from the mistaken identification of scientific method with prophecies about the future—an error which has been aptly labelled "historicism" by Sir Karl Popper.

Like many distortions, historicism has its origin in a correct observation. This is that the physical sciences, which social studies have for so long tried to emulate, have predictive power. But what this argument overlooks is that scientific predictions are *conditional*. They assert that certain changes, such as an increase to a certain point of the temperature of water in a kettle will, granted certain other conditions—for example a given atmospheric pressure—lead to a state that we know as "boiling." But they cannot tell us whether the required conditions will be fulfilled.

Historical prophecies are unconditional scientific predictions. They can be derived from valid scientific theories if, and only if, they can be combined with correct assertions that the required conditions are in fact fulfilled. The requirements for successful long-term prophecies can be fulfilled only for systems that are "well isolated, stationary and recurrent." This happens to be approximately true of the solar system, which is why predictions of events such as eclipses of the sun are possible many years ahead. But contrary to popular belief such systems are not typical even of the physical world; and certainly not of the rapidly changing society of human beings.

Sir Peter Medawar, the Nobel prize medical scientist, has pointed out how much more difficult economic and social forecasts are even than weather forecasts. Meteoroligcal prediction rests on qualities such as inches of rainfall or wind speed, which are readily quantifiable. It does not depend on variables such as degrees of confidence or consumer fashion. Secondly the basic functional relationships, linking wind, atmospheric pressure and so on to rainfall and temperature are much more straightforward than, say, relations between money and income or prices, as the latest Friedman-Hendry controversy testifies. Thirdly the weather is not affected by the forecasts made; and finally meteorologists have a far larger historical databank, as the weather has changed much less than political, social and economic conditions.

* * *

The great value of Orwell's *1984* is that it was not a forecast, but an essay on some of the trends he found most disturbing in his own times, some of which are still with us. Inevitably each person will draw a different "message" from the book. The points that have stuck most in my mind over the years are three:—

● The great danger that in opposing Communism or some other external threat Western countries acquire the totalitarian and militaristic characteristics of the societies to which they are supposed to be opposed. This was a pretty shrewd worry in a book written before McCarthyism really began, and the renaming of Britain as "Airstrip One" has a disturbing resonance today.

● The observation that totalitarian regimes often combine highly developed technology in surveillance and military matters with very primitive and shabby conditions elsewhere. This was far more realistic than Huxley's antiseptic *Brave New World* where people were nourished on happiness pills.

● Third and most important, the threat of the language known as "Newspeak" is still with us. Orwell's Appendix on the subject is as fresh as ever and should be read in full. If the aim of making heretical thought literally unthinkable is still some way from fulfilment, "the reduction of vocabulary as an end in itself" has many advocates. If anything in Orwell was prophetic it was the obliteration of distinctions between parts of speech, for instance in the hideous current habit of using "rubbish" as a verb.

To speak disparagingly of such practices may itself be regarded as a form of "crimethink" or perhaps "old-think." A favoured word in the new language is "prolefeed" meaning "the rubbishy entertainment and spurious news which the Party hands out to the masses." The Declaration of Independence cannot be translated into Newspeak except by the word "crimethink."

The Newspeak ideal is to spray forth correct opinions "as automatically as a machine gun spraying forth bullets"; and the texture of Newspeak words "with their harsh sound and a certain wilful ugliness in the spirit of Ingsoc" assists further. The eventual aim is to make articulate speech "issue from the larynx without involving the higher centres of the brain at all." This is called "duckspeak"; and you only have to go to a party conference, union or professional interest group meeting to hear a sample. Much of the output of the new "information technology" promises to be the purest "duckspeak." But before we smile too much, let us beware how much we may already be quacking ourselves.

Lombard

Holiday relief

By Anthony Harris

The following dispatch has been sent to us, in somewhat mangled condition, by a mole in the office of one of our American contemporaries. Our contact explains that he found it impaled on a spike in the Financial Editor's office, and feels that important news is being suppressed. Our own researches into its authorship shows that the writer is normally a specialist in international debt and banking questions.

Grave concern was being expressed among Wall Street investment bankers today at the news that the U.S. Treasury, a major borrower, is to seek the rescheduling of no less than $45bn of debt falling due in the coming year.

Although the investment community is maintaining an unruffled public front, as is normal in the face of any major debt crisis, claiming that "the system is well equipped to handle roll-overs of this kind," analysts conceded privately that the sum involved—more than the entire exposure of the financial system in Argentina, for example—could well impose strains.

A spokesman for Salomon Brothers, a leading specialist in U.S. Treasury debt, conceded: "The operation may well involve a sharp rise in interest rates in the foreseeable future."

Alarming

(Such increases are commonly imposed where borrowers might otherwise have to be classified as non-performing, to compensate lenders for enhanced risk.)

Others stated views which investors might well regard as alarming. The extreme case was stated by a spokesman for Citicorp: "We see no end to this process. There is frankly no prospect at all of this debt ever being repaid."

A U.S. Treasury official on relief duty conceded this point, and added: "It is not widely understood that we are disadvantaged in the credit market when competing with other borrowers. They can claim tax reliefs against their interest charges; but we don't pay tax, we collect it. This means not only that the real rate of interest is much higher for us than for others. It also means that, if our competitors borrow more, our income is likely to fall further short of expenditures."

Anxious

Another official cut in at this point, however, to say that Treasury Secretary Donald Regan had stated in London recently that the Treasury's borrowing needs would indeed be cut, though he did not expect any actual decisions before 1985.

(It is not known at this point whether Mr Regan will be Treasury Secretary in 1985.)

It does not seem likely that these undertakings will be enough to satisfy some foreign participants in the market. Although none actually threatened to call the U.S. Treasury in default, which would precipitate a major legal and banking crisis, they seemed anxious to drop out.

As a German bank director, interviewed during a seasonal party, explained: "You Americans must put your house in order; but that is not what I see when I look around me. You behave as if the party could go on for ever; but tomorrow there is the hangover, no?"

In other recent rescheduling episodes, international support has been assured through negotiations orchestrated by central banks and international bodies. However, a spokesman for the IMF (International Monetary Fund) declined to comment last night when asked if a similar exercise was being mounted in support of the U.S. rescheduling.

Editor's note: Our copy of this dispatch is not only crumpled, but disfigured in red chalk with the words: "The U.S. Treasury can print dollars, dummy! Get back to your desk."

Letters to the Editor

The in-ground value of oil is reckoned in cents

From Mr M. Adelman

Sir,—In the Financial Times of November 30 Mr Robert Mabro argues that the oil-exporting nations are in an extreme emergency, because the world oil price is in great danger. "The reason is simple. The current price of oil is a very high multiple of the variable costs of production."

In the recent past, a look over the side of the cliff has concentrated Organisation of Petroleum Exporting Countries' minds wonderfully. I think it will again. Of course, one cannot ever be sure, so Mr Mabro is right about the danger. But his argument is so narrow as to be erroneous.

The current price of oil is a very high multiple of *total* costs of OPEC oil, including the present discounted value of assets used up in production, particularly the in-ground capital assets: oil reserves. No rational owner will sell off assets for less than the present value of what it would cost to replace them. There would be no price problem or danger if these two types of capital cost were not extremely small, in relation to price.

If the assets are so much greater than needed for efficient production that they need not be replaced until far into the future, then their present value is small. In 1970, the price, then about $3 in 1983 dollars, was under some mild pressure. Reserves were so large, and could be expanded so cheaply, that their present value was a very low floor to price.

Today, those reserves are larger than a decade ago, but are being depleted much more slowly. In all the big cartel countries, including now Mexico, drilling is at low levels because nobody wants new reserves when the old ones are so excessive. Of the 50 known Saudi fields, 15 are operated. The in-ground value of oil is reckoned in cents not dollars.

In industries ruled by competition, the price is somewhere in the neighbourhood of marginal cost, including the value of capital consumed. ("Variable cost" is often used to mean marginal cost, but this is only confusion.) Or, what comes to the same thing, a price decline forces production cutbacks as high-cost output becomes unprofitable. Thus a price decline has a built-in brake and then a stop.

But when prices are "a very high multiple" of costs, price can go a long way down before the cutbacks begin. Hence the danger of a crash.

If the current oil price were really explained by impending scarcity, by consumption making reserves dwindle, by ever-fewer exporters in the near future, etc., etc., then the expected future prices would be higher than the current prices. Rational owners would not sell off today at less than current prices. The market would be stable. No joint action by any nations would be necessary to maintain the current price.

The market instability, the eagerness of producers to sell more than their quotas, and Mr Mabro's well-founded alarm, prove that prices are many times total cost. The cartel nations must control production, because only their restraint keeps prices where they are today.

M. A. Adelman
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Printed in Hong Kong

From Mr N. Faith

Sir,—The increasing importance of Marks and Spencer to the book trade outlined in Arthur Sandles' article (December 29) is bad news for Britain's printers. Contrary to the firm's frequently-proclaimed policy of "buying British" wherever possible, most of its larger and glossier books are printed in Hong Kong. Whatever the shortcomings of the British printing industry, they are surely not incapable of supplying M and S—and might even benefit if they were forced to comply with the firm's stringent quality requirements.

Nicholas Faith.
Manor Farm,
Bletchingdon, Oxfordshire.

A two-partner firm closes

From Mr B. Raven

Sir,—With reference to the item (December 23) stating that Merriman and Co would cease trading on January 9 and that this stems from an inquiry by the City of London police, I must firstly confirm that all outstanding bargains will be complied with. At the same time I would welcome the opportunity of stating the correct facts from which the closure really stems.

My senior partner, Mr John Greenhalgh, attains the age of 65 years on October 25 1984, which date would have been that of his normal retirement. Over two years ago, therefore, it was decided that his date of retirement from the firm would be April 5 1984, since that would be the end of the firm's financial year immediately preceding his 65th birthday. Subsequently our accountant advised that it would be preferable to make the official date of cessation early in January 1984, thus leaving two or three months' time in which to finalise all outstanding matters before April 5.

It was always my intention to continue the practice, but the uncertainty for the future of small two-partner firms such as Merriman and Co in relation to the changes now taking place in the whole structure of the Stock Exchange finally brought about my reluctant decision not to carry on the firm. I must emphasise that this decision was in no way whatsoever brought about by the police inquiry referred to in your report of December 23.

B. J. Raven.
Merriman and Co,
19, St John's Street,
Chichester, Sussex.

Newspeak and the New Year

From Mr R. Bonwit

Sir,—If we are indeed to accept Professor Crick's reading of "1984" (December 31) as a satire on contemporary 1948 Britain rather than as a prophecy of doom it will be of some help to compare the centre of the satire with Orwell's real experience of working within a bureaucracy. During much of the war, Eric Blair was a talks assistant in the Eastern section of the BBC Overseas Services. Those who worked in the (only moderately converted) premises of a fashion store will recognise the canteen of the Ministry of Love as the canteen of 200 Oxford Street. Most of the cubicles serving as offices or interview rooms were divided off by partitions not much higher than a tall person and the blending of claustrophobia with a denial of privacy is well portrayed in the book.

The war-time External Services of the BBC allegedly devoted to the task of "Nation shall speak unto nation" (possibly the "inspiration" for the title of the 1984 Ministry) were the abode of much talent in the fields of literature and philosophy who found themselves in frequent controversy with the Broadcasting House "machine"—as they called the pre-war BBC bureaucracy—trying to assert an uncertain control over this unruly band of brothers (not with a capital B). Eventually they provided the staff for the broadminded BBC hierarchy of the 1950s and 1960s, but many of the temporary creative staff reverted before or after the end of the war to academic, literary or publishing life.

working in this section greatly concerned with was the maintenance of a standard of absolute truthfulness in their output against pressure from various Government—especially from ad hoc semi-amateur—departments. Orwell's concern with compulsory distortion of the truth, even in its satirised form, is thus easily comprehended. So is his stress on peculiar personnel policies, indeed one of the more prophetic aspects of his book. Sidney Weighell is a very recent case of someone superseded in office becoming a non-person, judging by the avoidance of any reference to him in the publications and speeches emanating from the union once powerfully led by him. I believe it was Orwell who said that the difference between an Allied or a Hitlerite victory in the war would be that in the latter case a true history of the war would never be written.

As a producer of radio talks, Orwell was much concerned with the meaning of words. Perhaps it is possible to argue that one prophecy of "1984" to come true by now is the theory of the deterioration of language in the Appendix about "Newspeak." Apart from the spread of advertising cliches and the hypocrisy of terms such as "industrial action" for organised inaction (strikes), "hopefully" extended projections from "this point in time," the statutory misrepresentation of debating points in Parliamentary answers, the "doublethink" evident in international Government polemics and internal economic arguments, there is much in Orwell's portrayal of the decay of the Anglo-American dialect which has become too contemporary for comfort. This Appendix is perhaps the least satirical section of the book. But it represented for Orwell—or rather for Eric Blair—the real challenge to a creative spirit caught in the toils of a bureaucracy basically arranged on the side of the angels in the struggle between truth and expediency.

Ralf Bonwit.
Sorby,
Kiln Lane,
Binfield Heath,
Henley-on-Thames.

FINANCIAL TIMES

Thursday January 5 1984

How a straight ruler put the French right in a bad light

BY DAVID HOUSEGO IN PARIS

M PIERRE MAUROY, the French Prime Minister, is said to have laughed aloud when he read it over Christmas. So will a great many other Frenchmen, seeing it in yesterday's edition of the Paris newspaper Libération, where it was published in full, or in the paperback version that the Government is bringing out for FFr 30 ($3.5).

For the confidential report on the so-called "oil sniffer aircraft," which seems likely to become a best-seller in France, is at one level a hilarious tale of how the leading state-owned oil group, the former President of the Republic and his prime minister were taken in by a massive swindle.

It is also an important political document with far-reaching implications. Prepared by the state auditing authority, the Cour des Comptes, it provides a crushing indictment of the senior management of the Elf group during the period 1976–79. Some of those responsible are still with the company.

Taken with other official memoranda included in the Government version, it is equally damning of the lack of judgment and naivety of the former President Giscard d'Estaing and Prime Minister Raymond Barre.

The two men are both potential candidates for the opposition in the next presidential contest in 1988. It is therefore clear that, like Watergate in the U.S. or the Dreyfus case to a previous generation in France, the "oil sniffer" affair will not easily fizzle out.

The report of M François Giquel of the Cour des Comptes shows that the electronic system fitted to aircraft was far from being the miracle device that they hoped would revolutionise oil exploration or the spotting of nuclear submarines. For much of the three-year period, Elf's leadership, President Giscard and M Barre believed that the new system would provide a radar "image" from the air of underground oil, water and mineral structures, and had important defence implications in submarine detection.

The report says that, in fact, the image was obtained by projecting a pre-recorded photocopy of the outlines of a structure (normally an oil structure) on to a screen.

The instrument was the "invention" of an Italian, Sig Aldo Bonassoli, who claimed to have worked at the Enrico-Fermi Institute in Milan. Private detectives later found that "he had left no trace of his stay on its books."

The fraud was finally unmasked when the head of the Fundamental Research Institute of the French Atomic Energy Commission was called in.

On May 24 1979, he tested the instrument by telling Sig Bonassoli that he was putting a metal ruler behind a wall. The intention was that the scanner would pick up its shape on the screen.

The report recounts: "Unknown to Sig Bonassoli, he partially bent (the ruler) and twisted it so as to form a V shape with arms of unequal length. The image of a perfectly straight ruler, lying horizontally, appeared none the less on the screen."

The report is unambiguous in its condemnation: "The equipment delivered to Elf was a total fraud." It blames the company, saying that for two years its leaders failed to "ask themselves not only about the reliability of the equipment but about the good faith of its inventors or at least their scientific credentials."

On M Giquel's calculation, Elf lost in the affair between FFr 740m and FFr 790m. That is the equivalent of about a third of its exploration budget for 1976–78. The report says much of the money was channelled out of France by irregular means but with the authorisation of M Barre.

The reasons why illustrious members of the French establishment were taken in seem similar to those that led the British establishment to trust the spies Philby, Burgess and Maclean – a chain of unquestioning trust between men of similar views and values.

The chain included M Pierre Guillaumat, then head of Elf, one of the fathers of the French oil industry and a former minister of the armed forces under General de Gaulle. He launched Elf into the project and explained it to President Giscard. There was also M Antoine Pinay, a former prime minister who lent his name to the project while it was still at a tentative state, and M Philippe de Weck, a former president of Union des Banques Suisses, the second largest Swiss banking corporation. He did most to give it financial backing.

President Giscard drew in M Barre, but other ministers and most of the Elf board were kept in the dark.

The project was, the report says, shrouded in the highest secrecy. Those involved had the sense of dealing with something "that could change the fate of France, even of the world." Exempted from blame is M Albin Chalandon, who took over as head of Elf in August 1977 and "seemed embarrassed by the situation he inherited."

For the Socialists and Communists, the "oil sniffer" affair has come like manna from heaven to offset some of the gloom of a stagnant economy and rising unemployment. It shows that President Giscard and M Barre, who have continually charged them with incompetence in running the Government, are vulnerable to the same accusation themselves. It highlights the amount of state intervention that already occurred in a large nationalised company before the Socialists took office. It lends weight to the left-wing charge of the secrecy with which the right surrounds its political and financial affairs.

More important in the long run is the political damage it could do to both M Barre and M Giscard as future presidential candidates. Alone of the three opposition leaders, M Jacques Chirac, the head of the neo-Gaullist RPR, comes out unscathed. That suits President François Mitterrand because he would prefer to face the more right-wing M Chirac in an electoral contest.

The political gains from publishing the report were obviously judged by M Mauroy to be so important as to eclipse the damage caused domestically and abroad to Elf. That might be substantial, since Elf was involved in persuading countries like Gabon, Morocco and Brazil of the wonders of "oil sniffers."

Myriad questions remain unanswered, including who financially benefited from the fraud. With further legal investigations promised, there could be plenty of fun and fury yet.

Lebanon tension and firm rates send $ higher

By Philip Stephens in London

MARKET EXPECTATIONS that the underlying trend of U.S. interest rates will remain firm, and renewed fighting in Lebanon took the dollar to new highs on foreign exchanges yesterday.

The dollar reached record levels against the French franc, Italian lira and most Scandinavian currencies, and a 10-year peak against the D-Mark before shedding some of its gains after the start of New York trading.

It closed in London at DM 2.7845, up 2.5 pfennigs from Tuesday. Its trade-weighted index rose 131.1 from 130. In New York it closed at DM 2.781.

Sterling was also hit by the stronger dollar, closing 80 points down on the day at 1.4205, but as fears that the new Nigerian regime might boost oil exports diminished, it registered slight gains against many European currencies. In New York it closed at $1.415.

Meanwhile, the British Treasury reported that the country's official reserves fell $282m last month, the largest fall for a year. This partly reflects the Bank of England's intervention to support the pound in early December.

Foreign exchange dealers said firm U.S. interest rates and tension in the Middle East remained the key factors in propelling the dollar to new highs.

Earlier expectations that the apparently slower pace of economic recovery in the U.S. would be translated into lower interest rates seem to have evaporated.

The Federal funds rate, which rose to an erratic high of 11.5 per cent on Tuesday, fell back to about 10 per cent in early New York trading yesterday, but Eurodollar deposit rates showed small increases.

Although technical adjustments are held largely responsible for this week's jump in short-term rates, foreign exchange markets appear confident that there will be no significant fall in underlying U.S. borrowing costs over the short term.

European monetary authorities have so far reacted calmly to the dollar's latest surge, with intervention on foreign exchanges apparently limited and no signs of moves to push up interest rates.

The Bundesbank, which sold hundreds of millions of dollars to defend its currency last month, sold only about $26m at yesterday's fixing.

The British authorities also showed no inclination to respond to the latest turmoil on currency markets with anything more than their routine smoothing operations.

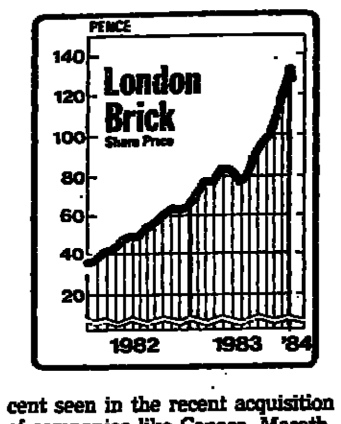
The British Treasury said that after loan transactions the underlying drop in Britain's reserves last month was $195m.

Lex, Page 14; Money markets, Page 31

THE LEX COLUMN

New family tree for Getty Oil

Anybody who made a new year's resolution to go out and buy dollars in 1984 has been handsomely rewarded already, with gains over sterling and the D-Mark of more than 2 per cent. Perhaps the currency markets have taken to heart Dr Leutwiler's recent pronouncement that Europe has uncoupled itself from U.S. interest rates; yesterday's cut in Swiss deposit rates would have given some encouragement to chase the scent of a higher return in the new year. But the cost of restraining the dollar has apparently not stopped the authorities from trying, if the drop in UK reserves is any guide.



Getty Oil

Wall Street's take-over merchants must be hoping 1984 has begun as it means to continue: no sooner had a long Australian shadow fallen over Warner Communications than word arrived yesterday that Getty Oil, a twin favourite with Warner in many of last year's U.S. bid speculation stakes, had at last become a live target.

Many details remain unclear of the agreement announced between Pennzoil and Mr Gordon Getty, the effective controller of a 40.2 per cent stake in the oil company founded by his father. For example, the new company through which they intend to acquire Getty Oil, paying $110 for each of the outstanding shares, will need $5.2bn to buy the rest of the equity after Mr Getty has transferred his stake. Pennzoil will be contributing $2.6bn, but the rest of the cash outlay has yet to be accounted for.

The planned result, anyway, is a holding company for the Getty Oil assets which will give Mr Getty 57 per cent control but seems most likely to leave Pennzoil with the effective management and the balance of the shares.

This would mark a successful culmination for Mr Getty to nearly two years of acrimonious dispute between himself, other family members and the company board – a worthwhile achievement in itself. The two bidders presumably also see the reorganisation leading to a more tax-efficient treatment of the assets and of cash flow totalling over $30 a share, though here again no details have been forthcoming.

Pennzoil has paid up for its participation: $110 per share represents a 28 per cent discount on the value independently ascribed to Getty's oil and gas assets. This contrasts with a discount of 40 to 45 per cent seen in the recent acquisition of companies like Conoco, Marathon and Cities Service. None of Getty Oil's shareholders ought to be complaining – their stock traded as low as $47½ last year – but the burden on Pennzoil's balance sheet now seems bound to prompt a deterioration in its credit rating: Moody's was warning of this possibility even before the latest deal.

No doubt Pennzoil will see this as a small price to pay in the short term for the privilege of instigating what looks like the next, though most certainly not the last, stage in the continuing consolidation of the U.S. oil industry.

Bell/Gleneagles

Arthur Bell may have little experience of the takeover game but yesterday's offer for Gleneagles Hotels displayed an ingenuity worthy of the seasoned professional. Having quietly picked up a 29.9 per cent stake in the company from British Transport Hotels, Bell sprang a full bid for the remainder only a week before shareholders gather to vote on the proposed Gleneagles rights issue.

By making its offer conditional on a rejection of the rights issue, Bell forced the pace and put the existing Gleneagles management on the spot. Net worth is certainly much higher than the book figure of 100p per share but Gleneagles will need to produce some fancy arguments about issue discounts if it is to argue, as looks likely, that Bell's 225p offer is derisory. The rights price, after all, is only 135p.

Moreover, not every member of the small band of Gleneagles shareholders may be delighted with the curious fashion in which the company has switched financial advisers nor with the equally odd financing proposals for the Piccadilly Hotel in London.

Yesterday's announcement will provide Bell itself with some ammunition to fire at critics concerned by the stagnation of the group's domestic whisky business. Falling output over the past three years has helped to release cash of £46m, which the group has until now appeared reluctant to reinvest. Gleneagles would absorb around £20m and the long-awaited acquisition of a distribution chain in the U.S., expected later this month, may cost only slightly less than that. Gleneagles might not cover its financing costs in year one but yesterday the market seemed happy to look at the longer-term potential, marking the shares up 3p to 133p.

London Brick

London Brick's attempt to get Hanson Trust off its back by enlisting the Monopolies Commission is involving it in some awkward intellectual gymnastics.

Less than six months after the Commission ruled that LB's proposed merger with Ibstock, Johnsen would have no real effect on competition in either London's fletton or Ibstock's facing bricks, plain symmetry would still seem to imply that there would be equally little objection to a merger between LB and Hanson's Butterley subsidiary – which has a comparable share of the quality brick market to Ibstock's.

London Brick's expansion into the facing brick industry since last August has been rapid – and apparently profitable – but its claim to have significantly increased the degree of competition by infiltrating Hanson's home ground in the Midlands has the air of a rather direct attempt to find some part of the commission's findings which might now be made to work in its defence.

Hanson could surely be required to sell some of the conflicting interests if successful in its bid for London Brick. Similarly, the normal hawklike supervision would hinder Hanson, just as much as it has London Brick, from over-exploiting the monopoly in flettons.

The Office of Fair Trading could presumably be relied on to come down like a ton of encaustic tiles on any post-merger abuses. Even if, for some arcane reason, the Government decided to block the bid, there would be no case at all for making the Monopolies Commission go over all this familiar territory once more.

Moscow warns Pretoria

By Bernard Simon in Johannesburg and Quentin Peel in London

THE SOVIET UNION has warned South Africa that its military occupation of southern Angola, and support for dissident guerrillas seeking to overthrow the Government in Luanda, are unacceptable, and that it will give the Angolan regime "all the support that is needed."

The threat of a direct escalation of the war being waged in Angola was made at a meeting between South African and Soviet officials in November, Mr Pik Botha, South Africa's Foreign Minister, confirmed yesterday.

Mr Botha rejected the warning as an unacceptable threat. "South Africa will not be intimidated by such threats," he said. "South Africa will defend its security interests against whoever poses a threat."

The exchange represents the first direct intervention by the Soviet Union with South Africa in recent years and coincides with still unconfirmed reports of an increase of Soviet military support for the embattled Angolan Government.

It came before South Africa proposed disengagement of forces in southern Angola, in a letter to the United Nations Secretary-General last month. This week the Angolan Government responded with a call for complete South African withdrawal from the country.

The warning is seen as an indication of the Soviet Union's concern at recent successes by the South African-backed Unita guerrilla organisation in Angola, which has advanced its operations from the south-east into the central highlands and even into provinces surrounding the capital in recent months.

Fear of direct Soviet intervention in Angola – which has hitherto relied on an estimated 25,000 to 30,000 Cuban soldiers for support against Unita and the South African invasion in the south – is thought to have been a key factor in Western pressure on South Africa to disengage.

Mr Botha did not disclose where the contact with the Soviet Union took place.

W. German jobless total shows sharp increase in December

BY JOHN DAVIES IN FRANKFURT

THE NUMBER of people unemployed in West Germany rose sharply last month, although the labour market also showed some hopeful signs of economic improvement.

The jump in unemployment has come as a sharp reminder that West Germany's recovery from recession has been modest and has made little impact on jobs.

With outdoor work being scaled down despite a relatively mild start to winter, the number of jobless rose during the month by 155,600 to nearly 2.35m.

That meant that 9.5 per cent of the labour force was jobless, compared with 8.8 per cent in November and 9.1 per cent in December 1982, when 2.22m were out of work.

However, Herr Josef Stingl, president of the Federal Labour Office, said he still had the same basic optimism about job trends as in the previous two months.

Herr Stingl said the number of unemployed had risen less sharply than at the outset of winter in earlier years. It jumped by 185,200 in December 1982 and 213,000 in December 1981.

An encouraging sign is that the number on short-time working last month was less than half that of a year earlier. Although the number rose by nearly 20,000 during the month to 513,600, it was still 600,000 fewer than in December 1982.

The increase in short-time work since November was due solely to the scaling down of construction work. The number of building workers on short time jumped during the month by 38,600 to 90,300, but was still 8,700 fewer than a year earlier.

Compared with a year ago, there has been a sharp drop in short-time working in engineering, electrical trades and the motor industry.

Another hopeful sign is that the number of young unemployed was slightly less than a year ago, although the total rose by 8,000 during the month to 190,500.

On the other hand, unemployment among foreign workers rose 13,800 last month to 296,400.

On average, unemployment last year was 2,258,000 or 9.1 per cent of the work force, slightly less than feared.

Many forecasters expect little change in the underlying employment position until late this year. After growing by about 1 per cent last year, real gross national product (GNP) is expected to increase by 2 to 3 per cent this year.

Chancellor Helmut Kohl has described unemployment as the Government's main problem but is hoping that a revival in export orders will give further impetus to production and employment.

The Berlin-based Institute for Economic Research (DIW) yesterday predicted GNP growth of between 2 and 2.5 per cent this year, with little change in unemployment. The institute is slightly less optimistic than many government and academic forecasters.

Peugeot sues CFDT over Poissy strike

Continued from Page 1

pear to have been consulted over the Talbot redundancies by the Government, adding salt to its wounds.

The situation at Poissy is now rapidly getting out of control. That is because of the heavy percentage of immigrant workers at the plant who feel the unions have let them down.

With every additional day of lost production at Poissy putting, figuratively speaking, an extra nail into the coffin of the French Talbot subsidiary, the CFDT yesterday appeared to be easing its so far intransigent position on the Talbot redundancies.

The union proposed yesterday that Peugeot transform the 1,900 redundancies at Poissy into temporary lay-offs while a suitable solution to the problem is negotiated

Saudis to buy military equipment from Spain

BY DAVID WHITE IN MADRID

SAUDI ARABIA has contracted to buy military and naval equipment worth $150m from Spain, including light aircraft and armoured vehicles, industry officials in Madrid said yesterday.

The deal marks an important boost for the Spanish arms industry, which is reckoned to have exported more than $600m worth last year, as well as a breakthrough for the state-controlled airframe manufacturer, Casa.

All but $2m of the package deal concerns companies belonging to the Spanish state holding group, INI.

The contract was drawn up following a visit to Spain by Prince Sultan Ibn Abdulaziz, the Saudi Defence Minister, last October.

The officials said the purchases included Casa's C-235, a new twin-turboprop light transport aircraft, which is being produced under a joint agreement with Indonesia and which is designed for a variety of civilian and military roles. They did not, however, give details of how many aircraft were involved.

The Bazan naval shipyard at El Ferrol in north-west Spain, which, in contrast to Spanish civilian shipbuilders, has been able to keep up orders and guarantee employment, is to supply an unspecified number of tugboats.

Enasa, the Spanish lorry manufacturer, is to take part in the deal with light armoured vehicles for the Saudi army.

Spain, which has made efforts to build up arms exports to ensure the viability and technical development of its military and aircraft industries, sold Pta 95bn worth of defence equipment in 1982, about $595m at present-day rates.

Getty Oil accepts $8.7bn bid

Continued from Page 1

our in good faith to agree upon a plan for restructuring Getty Oil on or before December 31 1984." If they are unable to reach such an agreement they will "cause a division of assets of the company."

Yesterday's deal follows months of negotiation between Gordon Getty and the Getty management as to how the value of the company's shares could be enhanced.

As signs of tension behind the scenes have surfaced, the share price has been rising steadily. Last week Pennzoil, in a surprise move, given its small size relative to Getty, announced that it was starting a tender offer for up to 16m shares of Getty Oil at $100 per share.

Before the announcement, Getty Oil shares had been trading at $80¾. That offer has been withdrawn.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	12	54	Dubrovnik	C	12	54	Malaga	F	4	57	Salzburg	F	4	38
Algarve	F	17	63	Faro	S	13	55	Malta	F	16	61	Seoul	S	-5	23
Algiers	C	12	54	Florence	F	13	55	Manila	S	28	82	Singapore	R	28	82
Amsterdam	F	7	45	Frankfurt	R	3	37	Miami	S	25	77	Stockholm	S	-2	28
Athens	S	13	55	Funchal	F	18	64	Milan	S	11	52	Strasbourg	R	5	41
Bahrain	S	18	64	Geneva	C	3	37	Moscow	C	3	37	Sydney	C	24	75
Bangkok	S	30	86	Gibraltar	S	14	57	Munich	Sn	2	36	Taipei	R	13	55
Barcelona	S	10	50	Guernsey	F	7	45	Nairobi	—	—	—	Tangier	F	12	54
Beirut	S	17	63	Helsinki	Sn	0	32	Naples	C	12	54	Tehran	—	—	—
Belgrade	F	6	43	H. Kong	S	14	57	New Delhi	S	21	70	Tel Aviv	C	18	64
Berlin	C	4	39	Innsbruck	F	4	39	New York	C	14	57	Tenerife	F	20	68
Biarritz	F	9	48	Inverness	F	2	36	Nice	S	14	57	Tokyo	S	11	52
Blackpool	S	6	43	Istanbul	S	14	57	Oporto	S	10	50	Toronto	C	0	32
Bordeaux	S	8	46	Jersey	F	7	45	Oslo	S	-3	27	Tunis	S	17	63
Brussels	C	4	39	Jo'burg	S	21	70	Paris	C	5	41	Valencia	S	13	55
Budapest	S	6	43	Las Palmas	F	20	68	Prague	F	3	37	Venice	C	6	43
B. Aires	R	27	80	Lima	S	24	75	Reykjavik	Sn	-2	28	Vienna	F	5	41
Cairo	S	18	64	Lisbon	S	11	52	Rio de J'o	C	37	99	Warsaw	F	5	41
Cape Town	—	—	—	Locarno	S	7	45	Rome	C	14	57	Zurich	Sn	1	34
Caracas	S	27	81	London	S	7	45								
Casablanca	C	16	61	Los Angeles	S	23	74								
Copenhagen	S	5	41	Luxembourg	Sn	0	32								
Corfu	F	16	61	Madrid	F	8	46								
Dublin	S	3	37	Majorca	F	13	55								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Reagan open to meeting with Assad

Continued from Page 1

Sir Geoffrey Howe would visit Egypt, Saudi Arabia and Syria from January 8 to 12, on his first visit to the Middle East since becoming British Foreign Secretary in June.

Lebanon, the prospects for a Middle East settlement, and the Gulf war are expected to be the main topics.

The Israeli bombings yesterday were on revolutionary bases, assumed to be backed by Iran, around the town of Baalbek. Mr Nabih Berri, the leader of the Shia Moslem Amal militia movement, deplored the Israeli attack.

Mr Berri vowed that resistance against the Israeli occupying forces would be stepped up in the wake of the raids.

The bombings seem bound to influence the chances of implementing the new Lebanese security plan. Essentially, that envisages a withdrawal of the main Christian militia, the Lebanese Forces, from the Iqlim Al-Kharroub region in the southern Chouf and their replacement with token Lebanese army units and internal security forces.

The Lebanese police would be assigned security duties inside the main towns and in the restive Shiite suburbs of Beirut.

The Lebanese army would be in charge of coastal roads 45 km (28 miles) north and south of the capital.

The agreement of opposition groups, mainly the Moslem Shiite Amal movement and the Druze Progressive Socialist Party of Mr Walid Jumblat was said to have been secured. A U.S. official in Washington welcomed the putative plan.

If successfully implemented, the plan could have helped to deployment of U.S. marines. But if the Israeli bombings have not retarded its chances of being put into force, then an Israeli withdrawal south of the Awali might put it back on the shelf.

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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday January 5 1984

AT&T signs computer deal with Convergent

BY LOUISE KEHOE IN SAN FRANCISCO

AT&T INFORMATION Systems has signed an agreement with Convergent Technologies of Santa Clara, California, to develop a range of office automation equipment in preparation for a market battle with IBM.

Just one week after AT&T's divestiture of its telephone company units, the telecommunications giant's determination to tap the high-growth office automation market is becoming clear. Under the terms of its agreement with Convergent, AT&T will purchase a variety of exclusive computer products designed and manufactured by Convergent.

Although neither company will disclose the details of the new computer products, they are expected to include a personal computer work station with communications capability. Convergent currently manufactures a range of micro-computers based on Intel microprocessor chips. Leading Convergent customers include Burroughs and NCR, both of which resell Convergent systems under their own label.

By turning to an OEM (own equipment manufacturer) AT&T will be able to speed its entry into the office automation market. However, the move is believed to have met resistance from AT&T Technologies, formerly Western Electric, AT&T's manufacturing operation. AT&T's Technologies is believed to have a high-performance micro-computer system of its own design under development.

Kodak focuses on new 8mm video camera system

BY TERRY DODSWORTH IN NEW YORK

UNTIL A year or so ago, it would have been virtually impossible to imagine Eastman Kodak, one of the most proudly independent of U.S. blue chip companies, actively seeking a role as the marketing arm of two Japanese photographic equipment manufacturers.

But things have changed at Kodak and nothing could demonstrate that better than yesterday's announcement that it is to sell a revolutionary new 8mm video camera system using a Matsushita-manufactured camera and tape from TDK.

The decision to go to the two Japanese companies illustrates Kodak's own tardiness in developing and manufacturing new electronic photographic equipment. It also marks, however, a fresh aggressiveness in the company's management style – and this is being viewed favourably on Wall Street. For years, Kodak has been gathering the reputation of a company which is too set in its ways. "This announcement shows a willingness to push into new markets and to move much faster," says Mr Eugene Glazer, of Dean Witter Reynolds.

Throughout the 1970s, Kodak had been gradually losing momentum as its photographic film business came under attack from Japanese competitors. It is reckoned that the company's market share in the U.S. fell from around 90 per cent to 80 per cent in the decade. This spectacle of decline was recently rubbed in with a vengeance when Fuji Photo Film of Japan was named as the official sponsor for the 1984 Los Angeles Olympics.


Mr Colby H. Chandler

Kodak's strength was originally based on its technological edge in chemical film manufacturing. But its position was later bolstered by its enormous world wide marketing strength, which gave it the volume to achieve big economies of scale.

By the early 1980s, these production economies were also coming under pressure from the rival attractions of the video market. Companies like Fuji were moving into video tape in an attempt to push their technology into office and medical equipment markets. Kodak stood largely on the sidelines.

The extent of its setback became sharply evident this year as earnings went into free fall, dropping by 42 per cent in the first nine months to $447.9m. The company's immediate response led by Mr Colby H. Chandler, chairman, was to cut costs. It brought in an early retirement plan, laid off more than 2,000 employees, postponed pay rises and deferred end-year bonuses – shock treatment in a company renowned for its paternalism.

At the same time, it announced its intention of moving as rapidly as possible into the application of electronics to its traditional field of optics and film knowhow. Although there have been some preliminary moves in this direction, yesterday's deal is by far the most important development in this field and shows Kodak moving headlong into a market which many analysts believe will explode over the next few years.

Video camera recorders already sell at the rate of around 400,000 units a year in the U.S., using the traditional half-inch VHS and Betamax tape formats. But the introduction of 8mm cameras could lead, the enthusiasts say, to a market measured in millions.

Interco boosts earnings in third quarter

By Our Financial Staff

INTERCO, a major U.S. clothing manufacturer and retailer, boosted net earnings in the third quarter to November 30 from $25.1m or $1.54 a share to $35.5m or $2.15, on sales up from $688.5m to $743.5m.

Nine-month earnings for the St Louis-based company, which also makes and sells footwear and has general retailing interests, jumped from $81.2m or $3.74 a share to $80.4m or $4.88.

A. C. NIELSEN, the major U.S. market research company, lifted net earnings in the first quarter to November 30 from $9.8m or 44 cents a share to $11.7m or 52 cents. Sales edged up from $161.5m to $171.1m.

Banks agree debt deal for Flying Tiger Line

BY OUR NEW YORK STAFF

FLYING Tiger Line, the world's biggest scheduled air cargo line, has reached agreement with its 60 banks to reschedule part of its $80m debt. In the final quarter of 1983 the airline made a pre-tax profit, its first since June 1981.

Tiger International, parent of the Flying Tiger Line which operates a fleet of more than 30 jets in its worldwide cargo service, said that the airline's lenders had signed a final agreement for an extension of payments on some of its debt and a new two-year revolving credit convertible into a five-year loan of up to $45m.

Under the new arrangements, some $30m of principal which was due in 1983 and 1984 has been deferred, it will now be repayable over a five-year period starting in July 1985.

Mr Wayne M. Hoffman, Tiger's chairman and chief executive, said the agreement assures Flying Tiger Line of the financial resources needed to carry out its business plan.

The agreement is the final part of a major restructuring of Tiger International's $1.8bn debts, which has been under way since last February when the group announced it was suspending payments of interest and principal on about half of its bank debt.

Tiger International's bankers had already agreed to a restructuring of the debts of North American Car, its railcar operation, and Tigerair, a small general aviation company.

Alan Bond close to control of Swan TV

By Michael Thompson-Noel in Sydney

BOND CORPORATION Holdings, master company of Mr Alan Bond, the Perth businessman, seemed close to gaining control of Swan Television and Radio Broadcasters, operator of Perth's Channel 9, last night.

This followed a revised offer from the Bond camp of A$7.50 per Swan Television share, valuing the company at A$49.5m (U.S.$44.6m), against Tuesday's initial offer of A$6.36 per share, valuing Swan at A$42m.

The new price is virtually identical to the valuation placed on another metropolitan television operator, Brisbane Television, control of which passed late last year to John Fairfax, the Sydney-based media group.

Yesterday, five directors of Swan Television, who between them control 55 per cent of Swan's shares, said they would be recommending acceptance of Bond's revised bid, and accepting in respect of their own shares.

The move marks yet another stage in the evolution of Bond Corporation, whose career has sometimes been chequered, and whose main interests include brewing, property, retailing and resources.

Last week, Swan Television revealed that anticipated pre-tax profits in the current year to June 30 were likely to be about A$5.7m, against A$3.4m in 1982-83.

Swan operates Perth's STW-9 station, an affiliate of the Nine Network, whose presiding personality is Mr Kerry Packer, who owns stations in Sydney and Melbourne.

Litton pays $190m for Texas group

By Our Financial Staff

LITTON INDUSTRIES, the U.S. defence and electronics group, is to pay about $190m for Core Laboratories, a Texas-based oilfield and mining services concern.

Under a definitive merger agreement reached this week, Litton will pay $33 per share in cash for each Core share.

Core's oilfield services include core and fluid analysis, well logging and petroleum engineering. The mineral division analyses coal, uranium, water and minerals, and provides environmental services. Foreign business provides about 43 per cent of total revenues.

Faberge, the cosmetics group which makes the Brut line of men's toiletries, is holding preliminary talks with Gibbons, Green, van Amerongen, a private investment banking firm, on a possible $30-a-share leveraged buyout for the group. Such an offer would value Faberge at about $170m.

Gibbons, Green proposes to organise a group of private investors to acquire Faberge, but Faberge said there could be no assurance that any agreement would be reached.

Northwest Industries, the Chicago-based steel products, electrical components and chemical products group, has sold its Microdot vehicle and aerospace parts subsidiary for $121m.

The buyer is an investor group led by Mr Richard Strubel, who had been president of Northwest Industries.

Italian banks plan credit card system

By Alan Friedman in Rome

THE BANK of Italy is studying a proposal from 16 of Italy's largest banks to introduce a new national credit card system to be owned co-operatively. The banks have been discussing such a nationwide system for two years and have formed a joint company with an initial capital of L800m ($478,000) which could be raised to as much as L10bn ($6m) if the plan goes ahead.

At present the Italian public does not make heavy use of credit cards. There are 1.7m cards in circulation and the market is dominated by Banca d'America e d'Italia, the Bank America subsidiary which has 1.2m cardholders.

Eurocard, which is marketed most aggressively by Credito Italiano, has 250,000 cardholders, while American Express, Diners Club and Conto d'Identita split the balance.

One possibility being considered is a merger between Eurocard and the new national Italian credit card system.

● SIP, Italy's state-owned telecommunications company, is working on a pilot project national data transmission system for banks.

The Bank of Italy is understood to be encouraging the development of such an interbank system, although it could take two years for it to become operational.

New routes for Trans World

TRANS World Airlines, which is to be spun off from Trans World Corporation, is to add 12 new international and domestic cities to its route system on April 29. It has called the expansion the single largest in its history, AP-DJ reports from New York.

The airline said that in the U.S., Atlanta, Jacksonville, Memphis, Milwaukee, Norfolk and Raleigh-Durham would be linked to its international system with daily services through New York.

Internationally, Kuwait and Riyadh, Saudia Arabia, will be added, as well as Amsterdam, Brussels and Munich, which were announced earlier.

U.S. medical group ahead

By Our Financial Staff

NATIONAL MEDICAL Enterprises, one of the largest hospital management groups in the U.S., has extended its solid record of profits growth with net earnings of $29.3m, or 44 cents a share in the second quarter to November 30 against $21.5m, or 36 cents.

John Wicks in Zurich looks at a Swiss financier's new image

From dark horse to white knight

WITH HIS bid for a 26 per cent stake in Beverly Hills Savings and Loan, Mr Werner K. Rey, the Swiss financier, is back in the headlines. He has never been far from them since 1977 when he caused a furore by gaining control over the prestigious Bally shoe company at the age of 34.

Mr Rey, now 40, has since built up a substantial business empire – although he sold Bally to the Oerlikon-Bührle group within months of taking it over. In early 1979 he bought Swiss Metal Works Selve, of Thun, which subsequently acquired a controlling interest in Ateliers de Constructions Mechaniques de Vevey.

With its subsidiaries, Lanz Industrie-Technik in Switzerland and Vandex in Denmark, the Rey group's industrial operations now have joint sales of about SwFr 300m ($135m).

In the services sector, he acquired the Neuchatel-based inspection and consulting engineering company Inspectorate International, originally a German-owned concern which took over two former British Steel affiliates, Unit Inspection and Palmer EAE. Although this purchase was made two years ago, Mr Rey has only now made it known. The Inspectorate concern is operated quite separately from the group's industrial interests and has an annual fee income of about SwFr 100m.

Apart from these industrial and service activities, Mr Rey – who divides his time between a London residence in Chelsea Square and Swiss headquarters – has been building up a considerable property portfolio in the U.S. and, to a lesser extent, in France and Switzerland. These real-estate holdings are substantial, though he prefers not to say how substantial.

The latest development has been in the field of banking. The Basle-based chemical company F. Hoffman – La Roche decided some months ago that it wished to dispose of Hamburger Handelsbank, a small private bank owned by its Bermuda subsidiary Canadian Pharm Holding. The Hamburg bank had assets of only DM 150m ($54.5m) and little much more than a portfolio.

It says much for the new image of Werner Rey that Roche offered him Hamburger Handelsbank. In 1977, he had been the dark horse – or in the view of some vociferous critics, the black sheep – who had seemed to appear from nowhere to take over Bally.

Not only did his acquisition and subsequent financial management of the shoe company meet with massive establishment opposition in Switzerland, Mr Rey also suffered from having been, in his early twenties, an employee of Bernie Cornfeld's ill-starred Investors Overseas Services (IOS).

He had also bought a former IOS subsidiary in the shape of Overseas Development Bank in 1976, selling it to Bally the following year and shortly after buying it back – as he now explains, under pressure and at the original price plus interest.

The Geneva-based bank had its licence withdrawn by the Swiss Banking Commission in 1977 on the grounds that there was insufficient proof of Swiss ownership. There was an appeal to the Federal Court, but this failed in a majority judgment the following year, and the bank subsequently went into voluntary liquidation.

Mr Rey, whose career began as a Zurich bank trainee, admits today that he got off on the wrong foot. Overseas Development Bank was high on solvency but – thanks to its IOS past – low on reputation, he says.

Yet by 1983, Roche judged Mr Rey the successful industrialist to be a suitable purchaser for its Hamburg bank.

Mr Rey cannot restrain a wry grin at the change in his public image. "The board of Beverly Hills Savings and Loan were looking for a white knight," he says, "and I was hardly considered a white knight in Bally days."

The Californian institution, whose assets are in the region of $1.8bn, already knew Mr Rey well. Among his local real estate investments, he had entered into a joint venture with it to back the building of the new Intercontinental Hotel in San Diego, for which each partner put up $12.5m in equity. Beverly Hills S&L then approached Mr Rey as a potential "white knight", having been long threatened by a group of dissident shareholders seeking more influence or even outright control over an unwilling board.


Mr Werner K. Rey: making headlines

The deal is complicated and has given the impression in Switzerland that Mr Rey is getting into Beverly Hills "free". In fact, he has already taken over 330,000 of the bank's shares at a cash price of $20.75 each. This gives him 9.9 per cent of the stock, or just under the 10 per cent for which special permission is needed.

Meanwhile, Mr Rey has undertaken to assume a subordinated debenture at a cash price of $20m. On receipt of state and Federal approval (the necessary "Change of Control" application was filed just before Christmas), this would be convertible into 833,333 common shares – like the original 330,000, the result of a capital increase – at an equivalent price of $24 per share. Mr Rey would eventually hold some 26 per cent of the Beverly Hills stock, a stake which could be increased to 30 per cent.

In separate transactions, Beverly Hills, a long-established specialist in the real-estate business, is to take over a substantial part of Mr Rey's U.S. property holdings, including his 50 per cent stake in the San Diego hotel, as well as mortgages, revenue bonds and the like. This counter-deal has been responsible for the claims that Mr Rey has got into the bank on a "cashless" basis.

Despite this, and a five-year agreement with the board which ties Mr Rey's votes to board recommendations and prohibits his selling the shareholding other than in a public underwriting, the opposition is unlikely to yield without a fight.

Mr Paul Amir, who has just increased his shareholding from 9.9 to 14.5 per cent, has obtained permission from the Federal Home Loan Bank board to go ahead with an attempt to acquire Beverly Hills and has called an extraordinary general meeting for January 27. Executives say it will not take place until some time later.

As to Mr Rey's own plans, he would become a vice-chairman of S & L and head a new international division. Beverly Hills, he says, foresees expansion in Europe – in such fields as Eurodollar refinancing and services to clients investing in the U.S. – and plans to open a London operation.

Within the Rey group itself, he is sanguine as to the chances of the Inspectorate companies. In the engineering sector, he has improved Selve's profitability considerably since the takeover; the Vevey company still needs some strengthening, but Mr Rey intends to raise his stake in it to 50 per cent within the next nine years. Still pending is the topic of whether, when and how Selve should buy into Metallwerke Dornach, another Swiss non-ferrous metals company.

In the meantime, Mr Rey has thrown light on the long-discussed question of where the self-made man's money originally came from before the Bally deal. "My financial strength," he says, "was based largely on my participation in a number of Middle Eastern projects."

Escom prunes spending programme

By Bernard Simon in Johannesburg

THE SOUTH AFRICAN Electricity Supply Commission (Escom) has sharply pruned its capital investment programme and may decide on further large cuts within the next few months.

Escom has been one of the largest customers for power station equipment in recent years, but financial constraints and unexpectedly slow growth in demand for electricity have prompted a rescheduling of its capital budget.

Capital outlays between 1984 and 1988 are now estimated at below R11.3bn ($9.2bn) at 1983 prices, compared to an earlier forecast of R12.5bn. The main victims of the cuts will be the Majuba power station in the South-East Transvaal and the Lekwe station in the Northern Orange Free State. Construction of Majuba has been put back a year, with completion now targeted for 1990. Work on Lekwe will not begin until 1986, two years later than planned. The two coal-fired stations, with a combined capacity of around 7,200 mekawatts, will cost over R2bn each.

Escom is currently building four other coal-fired stations. It has placed firm contracts for four 600 mw generating sets for each of the Tutuka and Lethabo stations, but has options to delay or cancel delivery of the fifth and sixth sets. Escom says a decision on whether to postpone these purchases will be taken before mid-1984.

Three generating sets each have been ordered so far for the Matimba, Kendal and Majuba stations. Decisions on delivery of the three remaining sets for each of these stations will be taken late this year or early in 1985. GEC, the British Electrical Engineering group, is the main contractor for the Majuba and Tutuka stations.

Escom has also curtailed spending on staff housing, training schemes, and other internal projects such as extensions to regional offices.

Although the Commission expects electricity sales in South Africa to grow by 6 to 7 per cent a year in the long term, demand edged up by only 2.5 per cent in 1982 and by between 1 per cent and 2 per cent last year. The main power consumers, such as the mining industry and the railways, have reduced consumption substantially as a result of the recession.

Escom is South Africa's biggest borrower on the international capital markets and aims to finance about half of its investment programme from current revenues. However, it has been compelled to hold down electricity tariff increases in recent years as part of the government's anti-inflation strategy.

Financial aid for Isuzu from GM

TOKYO—General Motors of the U.S. intends to give financial support to the troubled Isuzu Motors, Japan's second largest truck manufacturer, by converting $200m of its holdings in the Japanese company's convertible bonds into ordinary stock.

The conversion, which will increase GM's share of Isuzu's outstanding ordinary stock to 43 per cent from its current 36 per cent, should significantly reduce Isuzu's overall interest payments. The bonds carrying an 8.5 per cent interest rate are to be converted in February.

Isuzu borrowed the $200m from GM in June 1982 in order to produce the R Car which it hoped to supply to the U.S. company. But because export restrictions agreed on by the U.S. and Japan will continue for another year, planned shipments of the car may be difficult.

GM plans to convert the bonds at Y333 ($1.42) losing around Y100 a share. The original conversion price had been set at Y433.

Further support for Isuzu is to come from an advisory committee to be set up in February that will include executives of GM, Isuzu, Dai-Ichi Kangyo Bank, and C. Itoh and Co. The committee will discuss various aspects of Isuzu's assets, funds and dealer network.

AP-DJ

David White reports from Madrid on the latest moves of the Spanish heavy electrical industry to obtain state help

General Electrica stops payments

PRESSURE on the Spanish socialist government to help reorganise the country's heavy electrical equipment industry, which is dominated by foreign interests, has been stepped up by the declaration by General Electrica Espanola that it is suspending payments to creditors.

The group, employing about 2,700 people, is 28 per cent owned by its former parent company, General Electric of U.S., and 20 per cent by the French electrical engineering concern, Alsthom-Atlantique.

The payments suspension, decided on Tuesday followed a similar decision by Westinghouse Espanola, the Spanish subsidiary of Westinghouse Electric, at the end of October. The suspension of payments procedure provides for a moratorium on debt and the appointment of receivers to supervise rescue plans.

General Electrica, based near Bilbao, blamed slack investment in Spain, high financial costs, and the absence of any government policy for the sector.

However, the moves by the two leading electrical groups have both come as surprises—in the case of Westinghouse provoking the resignation of the Spanish subsidiary's chairman, Sr Santiago Foncillas, who had opposed taking such a radical step.

In both cases the court application for suspension of payments is seen as a "preventive" measure pending more radical restructuring.

The latest crunch has come less than two years after restructuring plans at both Westinghouse Espanola and General Electrica. In Westinghouse's case this involved the injection of some Pts 4bn (at today's rate $25m) from the parent and the Spanish state. At General Electrica the U.S. company took over medical equipment and other subsidiaries and reduced its stake in the main Spanish unit from 53 per cent to 28 per cent.

In neither case, however, have orders matched the levels that were foreseen in 1982, with the drop in railway and nuclear purchases compounded by difficulties in exporting on profitable terms.

Fall in orders

General Electrica's current order book, estimated at Pta 7.5bn, is less than half what had been expected. The company's turnover last year rose by 7 per cent to Pta 11.2bn, a decline in real terms, while Westinghouse Espanola's fell by 5 per cent to just over Pta 10bn.

The sector is campaigning to bring its problems forward in the Government's list of priorities in dealing with ailing industries. Sr Carlos Solchaga, the Industry Minister, has indicated that the steel, shipyard and household electrical industries are the first in line for treatment under the country's industrial reconversion programme.

General Electrica and the three foreign-controlled companies in the electrical equipment field have broken new ground by sending the Ministry a joint report. The other two companies are the Spanish subsidiaries of Siemens and Brown Boveri.

With Siemens being larger and more diversified than the others, with a Spanish workforce of 3,750, the proposed restructuring essentially involves the remaining three.

The four companies together account for some two-thirds of Spain's electrical capital goods industry in terms of both sales and manpower.

Among the possibilities envisaged by the companies would be a link-up with possible participation by the state or by the principal customers, which include the electrical utilities and the railways.

The four big electrical equipment companies also want to force through more drastic cuts in their combined workforce of over 10,000.

Mr Stuart Simpson, head of Westinghouse Electric's Spanish interests, said this week that the Spanish unit, which employs about 3,000 people in six factories, was one-third overstaffed, and that the country's rigid labour system had prevented the company from adjusting to market conditions.

Initiative opposed

The four dominant companies have geared their campaign to aid measures foreseen under the Reconversion Law, which provides for a funding programme totalling over Pta 900bn ($6bn).

However, their initiative—lodged at the same Industry Ministry department that has to deal with the crippled steel and shipbuilding sectors — is opposed by their Spanish competitors who fear that they will be squeezed out by a cartel of multi-national interests.

General Electrica is the exception among the major companies in the field in having come under majority Spanish ownership. It therefore has the strongest card to play.

Increased earnings and dividend from Amatil

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AMATIL, the diversified Australian tobacco and food group, achieved a 12.1 per cent gain in net profits in the year to October 31, to A$48.9m (US$ 44m), and has raised its final dividend from 10 cents a share to 11 cents, making a total of 21 cents, against 20 cents previously.

Profit growth spurted in the second half, improving by 15.6 per cent to A$25.4m, against a first-half rise of 8.6 per cent, to A$23.5m.

The company's results were adversely affected by drought, which struck Amatil's meat, pastoral and poultry divisions. Interest charges in the year to October 31 were A$16.9m, against A$17.4m previously. Tax was A$37.9m, against A$34.1m.

The tobacco division saw improved results, despite higher excise charges in both the 1982 and 1983 federal budgets.

● Industrial Equity (IEL), the Sydney investment house, said yesterday it would lift its formal offer for Tasmania's Cascade Brewery from A$5 to A$5.34 a share, valuing the brewery at A$44.3m (US$39.9m). Yesterday, IEL lifted its stake in Cascade to about 21.1 per cent, against the 27 per cent held by rival co-bidders, B. Seppelt and C-C Bottlers of Adelaide.

● Wattie Industries, Goodman Group, and New Zealand Forest Products (NZFP) yesterday warned New Zealand investors that speculation in shares involved in a takeover bid for Wattie by NZFP would be unwise, reports Reuters from Wellington.

In a joint statement, made before the first share market call since NZFP announced its takeover bid for Wattie on December 23, the companies said that discussions among the three were well advanced. Local press reports say that the three have reached agreement to end NZFP's bid.

Creditanstalt sells shops

BY OUR FINANCIAL STAFF

AUSTRIA'S largest bank, Creditanstalt-Bankverein, has disposed of a chain of 13 department stores as part of its endeavours to reduce losses arising from its non-financial holdings.

The stores belong to the Gerngross group and have been bought by Konsum, the Austrian consumer co-operative, for Sch 615m ($31.6m). A quarter of the purchase price goes to Norddeutsche Landesbank in West Germany which had a 25 per cent minority holding in Gerngross. A third shareholder, the Swiss Jelmoli group, sold out to Creditanstalt last year.

Consolidated accounts of the Gerngross group showed share capital and reserves of Sch 270m and liabilities of Sch 420m at the end of 1982. Gerngross declared aggregate losses of Sch 80m for 1981 and 1982. In 1983 a consumer boom took the group back into profit.

Konsum has taken over Gerngross with all its liabilities but will itself sell three stores in Vienna and one in Salzburg without liabilities to the Austrian Spar retailing group. The price for the stores and their inventories is Sch 320m.

UK COMPANY NEWS

Hollas hit by dollar's strength but sees volume improvement

A DIFFICULT year is being experienced by Hollas Group, importer and distributor of textiles and fabrics.

Mr Tony Lawson, chairman, says in his interim statement, that although second half volume will show an improvement on last year, margins are slimmer and importers are faced with unfavourable exchange rates.

Taxable profits for the six months to September 30 1983 were little changed at £423,000 against £412,000. Turnover for the period was £11.76m compared with £17.22m which included £5m from the household textile company since sold. For the year to the end of last March the group achieved taxable profits of £1.31m (£1.41m) on turnover of £25.76m (£35.13m).

The interim dividend is being held at 1p net with stated earnings per share a little higher at 1.2p compared with 1.1p.

Commenting on the year as a whole, Mr Lawson says that while it must be viewed as one of consolidation rather than of expansion the indications are that the full year's outcome will be "quite acceptable."

He adds that given even a slightly improved climate for importers, group companies will be "well able" to benefit from better conditions.

Tax for the opening period took £127,000 (£124,000), leaving a net balance of £296,000 (£288,000). Extraordinary items absorbed £19,000 (£92,000), minorities £4,000 (£7,000), and dividends £257,000 (same) to give a retained surplus of £16,000 (deficit £68,000).

● comment

Hollas is not the only UK importer to see its earnings being eroded by the pound's weakness. Direct exchange rate losses were negligible since the group hedges well ahead on currencies, but its prices have still looked unattractive against those of its domestic competitors. Adjusting for the elimination of Threll's losses following the disposal of the household textiles business, pre-tax profits were down by around 15 per cent, while margins have narrowed slightly. Although volumes are picking up in the current half, Hollas will be lucky to equal last year's pre-tax total of £1.3m. Gardner's first-time contribution will be insignificant, but the Hong Kong textile supplier should be clocking up more than £100,000 in 1984-85. The shares were unchanged at 28p, capitalising the group at £7.2m. The main prop to the price is a 10.5 per cent yield, although the dividend is uncovered on a current cost basis. On a 30 per cent tax charge, the multiple is more than 8.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Hollas Gp ....int	1	Apr 2	1	—	2
Mountleigh ....int	1	Apr 9	0.83*	—	4.58*
TR City London 2nd int	0.68	Feb 29	0.63*	—	*2.5
TSB Gilt Fund ......int	3	Feb 15	3	—	—

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted companies.

Mountleigh jumps to £835,000 midway—buys office complex

THE SUBSTANTIAL increase in 1983-84 profits looked for by Mountleigh Group has materialised in the group's interim figures for the six months to October 31 1983.

These show that pre-tax profits of this property investment and development group more than trebled to £835,000, against £269,000 last time and therefore, have already exceeded the £511,000 made in the whole of the 1982-83 year.

The directors say they are confident that profits for the second six months should at least reach the level achieved in the first half.

The net interim dividend is effectively raised from 0.833p to 1p per 25p share—last year's final was 3.75p after adjusting for the one-for-five scrip issue.

Interest payments for the first half rose from £273,000 to £372,000. There was again no tax however, and earnings per share climbed sharply from 5.34p to 16.16p.

Turnover advanced from £2.37m to £3.47m.

The company also announced yesterday that it has reached conditional agreement with a subsidiary of London and Northern Group, for the purchase—subject to Mountleigh shareholders' approval—of an office complex located at Bridge of Don, Aberdeen.

The purchase consideration is £4.25m in cash and 1m ordinary 25p shares in Mountleigh. The cash portion will be funded by a loan repayable by instalments from 1986 to 1993, while London and Northern has indicated that it regards the 1m shares (14.3 per cent of the enlarged ordinary share capital) as a long term investment.

The property which comprises an office complex of 122,743 sq ft net on five floors, together with parking for 400 cars, on a 10 acre site—is let to Occidental Petroleum (Caledonia), the UK operating subsidiary of Occidental Petroleum Corporation of the U.S.

The office building is let to Occidental on a full repairing and insuring lease for a term of 20 years from November 16 1981. Rent reviews, in an upwards only direction, take place every five years. The valuation certificate values the property at £7.63m.

The current rental income, which shows a surplus over financing costs, is expected to increase significantly following the rent review in November 1986.

On the basis of the consolidated balance sheet of Mountleigh and its subsidiaries as at April 30 1983—adjusted for the proposed purchase (including expenses of £334,000) and the professional valuation—the transaction will result in an immediate increase in net asset value per share from 281.9p to 289.5p.

Bellair Cosmetics

The directors of Bellair Cosmetics issued a statement yesterday which halted the meteoric rise of the company's shares.

Bellair's chief product is loss-making hair lacquer. The company has baffled stockbrokers since April when shares were worth 17p. They rose to a high of £12 but dropped 75p yesterday to £11.25 when the directors claimed to be baffled about the reason for Bellair's popularity.

Stockbrokers anticipated a major deal as shares rose, but none so far has materialised. They are watching Mehmet Tecimer, the Turkish businessman who bought a 76 per cent controlling stake in Bellair last April, very carefully.

Bellair is expected to be used as a vehicle for a larger operation but so far nobody knows

Radiant Metal

Increased profits before tax of £48,000 against £13,500 have been shown by Radiant Metal Finishing for the six months to the end of August 1983. Turnover of this company which is engaged in electro-plating and metal finishing expanded from £310,000 to £335,000.

The directors are postponing any decision on the interim dividend until the full year results are known. In the last full year

Tax for the half year came to £18,000 (£5,000).

Ocean Wilsons optimistic on Brazilian operations

The Brazilian economic situation continues to give cause for concern, say the directors of Ocean Wilsons (Holdings) in a review of its operations there.

But, they point out, the company's business is largely connected with shipping and exports from Brazil form the most important part of the business and should continue to provide a reasonable volume of activity for Ocean's operating companies.

They add that their Brazilian subsidiary operated during the second half of 1983 at about the same level as in the first six months, and profits before tax are expected to be similar.

As reported on December 28, Ocean's pre-tax profits for the first half of 1983 were £1.77m (£1.79m) but the dividend payment was deferred as a consequence of the temporary suspension by Brazilian authorities of dividend remittances and payments for non-essential imports.

In the interim statement the directors said that they were hoping for payment of the remittances in the early part of the new year, after which a dividend would be declared.

Yearlings total £21.7m

Yearling bonds totalling £21.7m at 9¾ per cent have been issued by the following local authorities:

Merthyr Tydfil Borough Council £1m; Bury (Metropolitan Borough of) £0.25m; East Hampshire District Council £0.5m; Rhondda BC £1m; Gateshead BC £0.5m; Harborough DC £0.45m; Lambeth (London Borough of) £0.5m; Lancaster City Council £0.5m; Newham (London Borough of) £1m; North Hertfordshire DC £0.5m; Nottingham (City of) £1m; Tonbridge and Malling DC £0.5m; Wansbeck DC £0.25m; Wellingborough DC £0.25m; Liverpool (City of) £2m; Glasgow (City of) DC £1.5m; Renfrew DC £1m; Hillingdon (London Borough of) £1m; Leeds (City of) £2.5m; Newark DC £0.5m; Redditch DC £0.5m; Thameside Metropolitan BC £1m; Cynon Valley (Borough of) £0.5m; Northampton (Borough of) £0.5m; Portsmouth (City of) £1m; Sunderland (Borough of) £1m; Vale Royal DC £0.5m.

NEW LIFE BUSINESS

Boost from MIRAS and unit-linked sales

LAST YEAR is turning out to be a very good year for life companies operating in the UK in respect of their new life business. There were two major factors affecting buoyant sales in 1983 which impinged to a varying degree on all life companies.

● The changeover last April to the new method of crediting tax relief on mortgage interest payments, known as MIRAS (mortgage interest relief at source), stimulated sales of life contracts used for repaying house mortgages.

● Unit-linked life sales by conventional life companies took off last year when these companies raised commission rates following the ending of the official commissions agreement.

However, the continuing economic depression held back growth in new life and pensions income, both through redundancies and in a slackening of rises in employees' earnings.

Norwich Union Insurance Group reported a 50 per cent rise in new worldwide annual premiums to £112m and a 43 per cent jump in single premiums to £170m.

In the UK, new annual premiums on ordinary life policies more than doubled to £61.8m of which MIRAS-related contracts accounted for £34m—three-and-a-half times the 1982 level of £15m. Annual premiums on individual pensions rose nearly 10 per cent to £12m, but group pensions annual premiums were nearly 20 per cent lower at £12m.

Single premium business in the UK was buoyant in all major sectors. Unit-linked investment bond premiums almost doubled to £32.4m, while immediate annuity investment was over 40 per cent higher at £50.2m. Pension annuity payments showed a similar jump to £43.3m, while single premiums on individual pension contracts were nearly one-quarter higher at £27.2m. Group pension single premiums rose by 18 per cent to £4.9m.

NU's overseas operations move ahead with new annual premiums advancing 17 per cent to £28.6m and single premium contracts rising by 24 per cent to £12.1m. The growth was especially good in Canada and France.

Scottish Widows' Fund and Life Assurance Society reported a 71 per cent jump in new annual premiums on ordinary life business from £14m to £24m, with premiums on MIRAS contracts rising threefold from £3m to £9m, even though the Society relied entirely on its registered insurance broker agents and other intermediaries for MIRAS business.

Ordinary life single premiums more than doubled from £23m to £58m, thanks to a surge in sales of linked life bonds which nearly tripled to £39m.

Group pensions business declined slightly with new annual premiums dropping from £12m to £10.7m and single premiums from £2.5m to £2.2m. The Society did well on sales of individual pensions business while its pensions managed fund subsidiary recorded a 43 per cent rise in new annual premiums to £20m and a jump of more than 150 per cent in single premiums to over £75m.

The Scottish Life Assurance Company recorded a 42 per cent rise in new annual premiums from £12.5m to £17.8m. New annual premiums on ordinary life business nearly doubled from £6.1m to £11.6m, boosted by MIRAS, but this was offset by a decline in group pension premiums from £6.1m to £5.85m.

Single premium business increased by a quarter from £9.6m to £12.1m, following a one-third jump in single premiums on group and executive pensions business from £6.1m to £10m.

Clerical, Medical and General Life Assurance Society reported total new annual premiums up by one-third from £23.4m to £31.7m and single premiums up by one-quarter from £33.8m to £41.6m.

New annual premiums on ordinary life business improved 60 per cent from £10.5m to £16.8m, with premiums on mortgage-related contracts rising by more than 150 per cent. New annual premiums on individual pensions rose by nearly 60 per cent from £1.7m to £2.7m.

Clerical Medical, in contrast with most other life companies, saw improvements in its group pensions business. New annual premiums were nearly 10 per cent higher at £11.5m against £11m, while single premiums rose 60 per cent from £7.2m to £11.4m. The company also had a good year for ordinary life annuity business with premiums of £16.1m against £10.2m.

The managed fund subsidiary attracted £31.2m of new funds last year against £9.7m in 1982 and the total value of funds at the end of 1983 reached £144m. The value of funds invested by the Pension Fund Management service rose from £250m to £430m during 1983.

In the article in yesterday's Financial Times on the bonus declarations of Clerical Medical, the terminal bonus rate for ordinary life business should have been 70 per cent of attaching bonuses, including any interim bonus. This represents a significant increase on the previous scale.

The company also increased reversionary bonus rates on all classes of individual pension contracts, and made significant improvements on its terminal bonus scales for these contracts.

Higher bonus from NU

Norwich Union Insurance, unlike many life companies, has declared higher reversionary bonuses for 1983, lifting the rate by 10p to £4.85 per cent of the basic benefit and attaching bonuses. The terminal bonus scale, which is based on the entry year of the contract, is significantly increased for claims in 1984.

The effect of these changes on ordinary endowment policies is to increase maturity values by between 9 per cent and 13 per cent compared with a year ago.

Equity and Law Life Assurance Society is maintaining its normal reversionary bonus rate at £4.50 per cent of the basic benefit and attaching bonuses. This rate applies to both individual life and pension contracts.

The society has continued the process started in the 1982 declaration of consolidating the terminal bonus by paying an additional reversionary bonus. The rates depending on entry year rise to a maximum of £100 per £1,000 of basic benefit and attaching bonuses for entry years 1946 and earlier on life policies and entry year, 1956 for individual pension policies.

This consolidation will cost around £2m, including the transfer to shareholders. The society expects to declare further additional bonuses in future years in order to continue the consolidation process.

The strong growth in asset values of the society's equity holdings has enabled it to maintain or increase terminal bonus rates for 1984.

Friends' Provident Life Office, in its first annual bonus declaration, following its conversion from triennial declarations, has maintained its reversionary bonus rates at £5 per cent compound for life business and £6.50 per cent for personal pensions. The rate for the new exempt approved pension schemes, launched last year, is £11.25 per cent compound.

The terminal bonus rates for 1984 are being improved. On life policies, other than flexible contracts, the rate is increased from 55 per cent to 65 per cent, while on flexible contracts it rises from 30 per cent to 35 per cent. On personal pension policies it rises from 55 per cent to 60 per cent.

BIDS AND DEALS

Sohio divests of Carborundum in £2.13m management buyout

BY TERRY GARRETT

IN A £2.13m management buy out Carborundum Abrasives, one of Europe's leading manufacturers of abrasive products, is being spun-out of U.S. giant Standard Oil Company (Ohio).

Granville and Co has placed a mixture of ordinary and convertible preference shares to raise £1m with nine leading institutions, headed by nationalised pension funds and life offices. Together with a £1.5m loan from National Westminster that will cover the buyout price plus associated costs.

Carborundum will be quoted on Granville's "over the counter" market—an operation of matching bargains between buyer and seller, mainly for institutional investors.

The directors of the company will initially own 49.9 per cent of equity following the placing. If they fail to match their forecast profits recovery showing a dramatic bounce back from trading losses of around £1m in 1983 to profits of £1m in 1984 the institutions will have an opportunity to convert part of their investment into ordinary shares, reducing the directors' holding to a third.

The placing is in the form 700,000 7½ per cent cumulative redeemable partly convertible preference shares and 300,000 ordinary shares, packaged together in units of 700 preference and 300 ordinary at £1,000 a unit.

Sohio's disenchantment with its worldwide abrasive activities, Brazil apart, came to a head last March when it announced its intention to divest.

Carborundum's performance as a subsidiary of Sohio has been far from impressive over the last four years. The group has been hard hit by recession—its products are basically industrial consumables—and an overweight cost structure. Carborundum has two manufacturing plants in the UK and three in West Germany.

From profits of £3.4m—pre-exceptionals—in calendar 1978 the company collapsed into a £1.4m loss in 1982. In the first nine months of 1983 losses amounted to £773,000 and a further £200,000 is anticipated for the final quarter.

Redundancy costs of £2.6m will push 1983's overall net loss to £3.6m.

A substantial turnround is forecast for 1984. The reduction in labour costs will result in a £1.7m saving, elimination of technical fees to U.S. companies will save another £0.4m and no longer using Sohio's management systems another £0.25m.

Together with a 2 per cent recovery in trade—which the directors assure is only making up some small loss of sales when uncertainty surrounded the group and customers looked for dual sourcing—profits should reach £1m this year.

On that basis the £1 ordinary share placing price is only 1.4 times this year's fully taxed prospective earnings. The directors intend to pay dividends of 4p a share.

Looking to the future they believe that as a free standing company outside of Sohio it will be able to compete in more overseas markets. Until now, for example, Carborundum could not sell into the Americas.

GKN chairman 'surprised' by AE about-turn

Sir Trevor Holdsworth, chairman of Guest Keen and Nettlefolds, said yesterday that he was "surprised" that AE had turned against a previously agreed offer valuing AE at £66m.

In his annual statement earlier this week, Mr John Collyear, AE's chairman, told shareholders that his company would resist a takeover attempt from GKN if the bid was cleared by the Monopolies Commission. He had previously agreed terms with GKN before the offer was put on ice by the Monopolies reference.

Sir Trevor said yesterday that "we find it hard to reconcile what Mr Collyear has said in his chairman's statement with the letter he sent to shareholders last August recommending our offer."

He added: "We continue to believe in the mutually agreed industrial logic of the merger."

Smith Bros.

RIT and Northern, the investment group headed by Mr Jacob Rothschild, has sold its 7.7 per cent stake in stock jobbers Smith Bros.

Of the 1m shares sold, half have been taken up by Investors in Industry, and the rest placed privately. Investors in Industry now holds 1.25m Smith Bros shares, or 9.6 per cent of the present issued capital.

RIT bought a five per cent stake in Smith Bros two years ago, and subsequently gave undertakings to the Stock Exchange not to increase the holding after taking a 29.9 per cent stake in another member firm, Kitcat and Aitken. A further 400,000 shares were acquired last month by RIT's New York subsidiary, L. F. Rothschild Unterberg Towbin. Both stakes have now been sold.

A 29.9 per cent stake in Smith Bros was acquired three weeks ago by merchant bank N. M. Rothschild, from which Jacob Rothschild broke away three years ago.

C. H. Beazer purchase

Following the offer by property developer and contractor C. H. Beazer (Holdings) for Monsell Youell, the vendors of this privately owned housebuilding concern have received the tax clearances necessary for the deal to go ahead. The acquisition is therefore unconditional and completion is due to take place at noon today.

Courtaulds

On December 30 1983 S. G. Warburg and Co., as an associate of International Paint, bought on behalf of a discretionary investment client 16,000 ordinary 25p shares of Courtaulds at 123p each.

Eagle urges members to accept revised BAT bid

The directors of Eagle Star and its advisers, Hill Samuel & Co., strongly recommend all shareholders to accept the revised £968m bid from BAT Industries by 3 pm on January 18.

Sir Denis Mountain, chairman and managing director of the UK insurer, says that the board has never been in any doubt that BAT is a much more appropriate parent for Eagle than Allianz Versicherung, the West German insurance group.

The board, he says, is totally satisfied with the assurances BAT has given regarding management, staff and policyholders and it believes that Eagle faces an exciting future as part of the UK tobacco, paper and retailing group.

He adds, were the BAT offer to lapse then the Eagle share price would be likely to fall to a level substantially below the 700p cash per share being offered and shareholders would suffer a very significant loss. Yesterday the shares were unchanged at 692p.

The alternative consideration to the cash offer is, for each existing share, 234p in cash, 233p in loan stock and 233p in capital notes. The Eagle directors intend to accept in respect of their own beneficial holdings totalling 675,745 Eagle shares.

Berkeley & Hay

Acceptances have been received by Promotions House for 20,998,398 ordinary in Berkeley and Hay Hill (72.45 per cent). In the offer document it was announced that irrevocable undertakings to accept had been received by Promotions House for 7,893,989 shares of Berkeley (27.23 per cent) and acceptances have now been received in respect of these shares which are included in the above total.

As acceptances have been received in respect of more than 50 per cent of the voting rights attributable to the shares for which the offer is made, the board of Promotions House has declared the offer unconditional in all respects.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Electronic Rentals, Howden Group, New Court Natural Resources.

FUTURE DATES

Interims:—	
Halos Properties	Jan 10
Heath (Samuel)	Jan 12
Jones Stroud	Jan 12
Smith (David S.)	Jan 17
Stroud Riley Drummond	Jan 16
Wigfall (Henry)	Jan 13
Worthington (A. J.)	Jan 9
Finals:—	
Abbey Panels Investments	Jan 11
Allied Textile	Jan 31
Elandsrand Gold Mining	Jan 19
Evode	Jan 16
S. African Land and Explor.	Jan 19
Southvaal	Jan 19
Trusthouse Forte	Jan 19
Vaal Reefs Explor. and Mining	Jan 19
Western Deep Levels	Jan 19

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered ‖	9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	9 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings ¶	10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9 %	Yorkshire Bank	9 %
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 6%. Fixed rate 12 months: £2,500 9%: £25,000 12 months 9.5%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

COMPANY NOTICE: To the Holders of

ASICS CORPORATION

U.S. $12,500,000 7% Convertible Bonds 1997

NOTICE OF FREE DISTRIBUTION OF SHARES AND ADJUSTMENT OF CONVERSION PRICE

We, Asics Corporation, hereby notify that, as a result of a free distribution of shares of its common stock to shareholders of record as of 20th January, 1984, Japan time, at the rate of 0.1 shares for each share held, the conversion price of the above-captioned Bonds will be adjusted pursuant to Condition 5, paragraph (C), sub-paragraph (i) of the Terms and Conditions of the Trust Deed dated 12th May, 1982 from Yen 494.50 to Yen 449.50 per share, effective as from 21st January, 1984, Japan time.

ASICS CORPORATION
1-3, Terada-Cho, 3-chome,
Suma-ku, Kobe-City,
Hyogo, Japan

5th January, 1984

Public Works Loan Board rates

Effective January 5

Years	Quota loans repaid by EIP†	Quota loans repaid At‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid At‡	Non-quota loans A* repaid at maturity§
Up to 3	9¾	10	10¼	11½	11½	11⅞
Over 3, up to 4	10¼	10⅜	10⅝	11⅛	11⅛	11⅞
Over 4, up to 5	10⅜	10⅜	10⅞	11¼	11⅜	11⅜
Over 5, up to 6	10⅜	10⅝	11	11¼	11⅝	11⅞
Over 6, up to 7	10⅝	10⅝	11⅛	11⅜	11⅝	11⅞
Over 7, up to 8	10⅞	10⅞	11¼	11⅜	11⅝	11⅜
Over 8, up to 9	10⅞	11	11	11½	11⅞	11⅞
Over 9, up to 10	11	11⅛	10⅞	11⅝	11⅝	11⅝
Over 10, up to 15	11⅛	11	10⅞	11⅞	11⅝	11⅝
Over 15, up to 25	10⅞	10⅝	10⅝	11⅝	11	10⅞
Over 25	10⅞	10⅝	10⅝	10⅞	10⅞	10⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

APPOINTMENTS

UNITED KINGDOM

Standard Chartered board changes

Following Royal Assent for Standard Chartered Merchant Bank Act 1983, the business of STANDARD CHARTERED MERCHANT BANK and MAIBL were fully integrated from December 31. From January 3, Mr J. T. S. Bower, Mr A. P. Brown, Mr H. A. P. Farmar, Mr D. W. H. Farmer, Mr J. L. Kaye and Mr T. Pomeroy are appointed executive directors of Standard Chartered Merchant Bank. Mr J. McNeill, secretary of Standard Chartered Merchant Bank, was also appointed secretary of SCMB Holdings.

★

POLYMARK (SUSSEX) has appointed Mr David J. Thurlow as production director. He was a senior consultant with P-E Consulting Group.

★

Mr John Burridge has been appointed to the board of INTER COMMODITIES. He joined the company in 1979 and is a senior dealer and member of the investment panel.

★

ROXBURGHE GUARANTEE CORPORATION has appointed Mr Rowland H. Landman its chairman.

★

Mr M. A. Djanegly and Mr S. Canwell have been appointed directors of TULLETT AND TOKYO (MONEY MARKETS) COMPANY.

★

Mr Trevor Forbes has been appointed a director of HILL SAMUEL PENSIONS INVESTMENT MANAGEMENT.

★

Mr Ernest Bigland has been appointed joint chairman of LONDON TRUST. Mr Bigland was previously deputy chairman. Mr Edward Davies is to resign as chairman on March 31.

★

BRITISH MOHAIR HOLDINGS has appointed Mr Charles M. Fenton a non-executive director. Mr Fenton is vice-chairman and maanging director of B.B.A. Group. Mr J. A. Clough intends to retire from the board on May 25 and will relinquish the position of chairman after the annual meeting on May 9. It is intended to appoint Mr Fenton as his successor.

★

Mr Ken Chapman, ALLIANCE BUILDING SOCIETY'S general manager (marketing) retired on December 23 and has been succeeded by Mr Tim Myers. Mr Myers has been general manager marketing (designate) since January 1983. He will be responsible for formulating the Society's financial products, overseeing the running of its 203 branches, and for the Alliance's advertising strategy.

★

Mr Alexander Ritchie, deputy chairman, has succeeded Mr Nigel Robson as chairman of GRINDLAYS HOLDINGS and of GRINDLAYS BANK.

★

Mr David Nussbaum has been appointed a director of CHARTERHOUSE JAPHET with responsibility for developing the bank's activities in Europe. He was formerly a director of Dawnay Day.

★

Mr Hugh Joyce has resigned as a director of the BOWATER CORPN. and given up his appointment as chairman of Bowater North America Corpn. Mr Joyce has been succeeded as president and chief executive of Bowater North America by Mr A. P. Gammie.

★

BARING BROTHERS AND CO. has appointed the following as directors: Mr W. Backhouse, Mr A. M. G. Baring, Mr G. S. Cass and Mr N. E. Melville, Mr P. E. Bugge, Mr R. C. Daniels, Mr I. C. Dickson, Mr J. M. A. Menendez, Mr A. M. Pearce, Mr R. J. Rayner, Mr J. H. T. Russell, Mr V. R. Russell, Mr A. B. Swann and Mr J. W. White have been appointed assistant directors. Mr C. B. Barnes, Mr S. P. F. Best, Mr R. J. M. Rawe, Mr C. J. Steane and Lord Verulam have been appointed managers. Mr R. J. Raynar has been appointed managing director of Baring Brothers SA in Geneva and Mr H. King has been appointed manager of this subsidiary company. Mr Raynar remains managing director of Baring Brothers (France) SA in Paris.

★

Mr Rob Harris has been appointed managing director of NDC International, London-based subsidiary of National Data Corp of Atlanta, Georgia. He joins from Visa International, where he was business development manager.

★

Mr Tom Harrison has been appointed head of the international division of the LONDON CHAMBER OF COMMERCE AND INDUSTRY in succession to Mr Duncan Nowson who has retired. Mr Harrison has spent 25 years with the TKM Group and is a former chairman and managing director of Tozer Kemsley and Millbourn.

★

Mr T. S. Kilpatrick has been appointed to the board of CARBOLITE FURNACES, a subsidiary of Thermal Scientific.

★

Mr Brian P. Fear has been appointed marketing director of SAFETY AIR (SERVICES), Wigan.

★

Mr Quinton Hazell has been appointed president of the SUPRA GROUP for a further 12 months. Following the resignation of Mr Alan Edis, Supra Group has reorganised the board at its subsidiary Supra Automotive. Mr Peter Dighton, formerly sales and marketing director, has been appointed managing director and Mr Ron Shippey, formerly packaging and distribution director, has been appointed purchasing director.

★

Mr David K. Thomas has been appointed financial director of the Talbex subsidiary OSMOND AEROSOLS, Grimsby. He was previously a senior financial accountant at Imperial Foods.

★

BOODLE HATFIELD AND CO, solicitors, have taken Mr David W. G. Sawyer into partnership. He was a director and the chief solicitor of Thomas Tilling and chairman of Cornhill Insurance and has recently joined the board of St Katherine Insurance.

INTERNATIONAL

Peat Marwick post

● Mr Thomas L. Holton, chairman of Peat Marwick in the U.S. since 1979, has been elected to the additional position of chairman of PEAT MARWICK INTERNATIONAL (PMI), the accounting firm's worldwide organisation. He succeeds Sir John Grenside, senior partner of Peat Marwick's UK practice, who has served as PMI chairman since 1980.

● THE ARAB INVESTMENT COMPANY (TAIC) has appointed Mr Hikmat S. Nuwayhid as executive director of its banking division and general manager of The Arab Investment Company OBU B'nrain. The OBU will conduct commercial banking interbank and treasury business, and will provide investment banking and portfolio services. Mr Nuwayhid joins TAIC from the Industrial Bank of Kuwait where he was executive manager.

● AMAX has designated executive vice-president Mr Martin V. Alonzo as its chief financial officer. He was responsible for the specialty and light metals operations. He is also a member of the board of the company's 50 per cent-owned aluminium company, Alumax Inc.

● COMMERCE BANCSHARES INC., state that three directors of County Tower Corp., of Clayton, which Commerce is acquiring, have been elected to its board: Mr J. Gordon Forsyth, president of Forsyth Carterville Coal Co. of Clayton; Mr Ben Peck, chairman of Wohl Shoe Company of Clayton, and Mr Earl E. Walker, president of Carr Lane Manufacturing Co. of Webster Groves. Their terms of office will commence when the proposed merger takes effect on January 3 if approved by County Tower's stockholders. Mr Merle M. Sanguinet, chairman of County Tower, who prior to the merger plan had announced his intention to retire at the end of this year, will continue as an advisory director to Commerce Bancshares during 1984.

● INLAND STEEL CO. has elected Mr Jerome W. Van Gorkom a director. Mr Van Gorkom is a former member of Inland's board. He resigned from all of his directorships in 1982 when he was appointed Under Secretary of State for Management in the U.S. Department of State by President Reagan. He resigned from Government service on October 14.

● The U.S. COMPTROLLER OF THE CURRENCY has appointed three new senior national bank examiners: Mr Stephen J. Connors, northeastern district (Boston, Massachusetts), Mr Richard T. Newell, southeastern district (Atlanta, Georgia), and Mr Carl L. Peterson, western district (San Francisco, California).

● Dr Ruggero Porta, deputy general manager of Intersport (Schweiz) Holding, has been appointed board chairman of INTERSPORT INTERNATIONAL CORP., sporting goods retailers' purchasing organisation.

● Dr Margaret G. Kerr has been named vice-president, environment, occupational Health and safety of ALCAN ALUMINIUM, Canadian parent company of British Alcan Aluminium. She joined Alcan in 1982 as director of occupational health, prior to which she held a number of senior positions in the health field with Shell Canada. Dr Kerr succeeds Mr J. Hugh Faulkner, who earlier this year was appointed managing director of Indian Aluminium Company, a 50.5 per cent-owned subsidiary of Alcan.

● Mr Brian D. Williamson has joined WELLS FARGO BANK as senior vice-president and manager of the global foreign exchange and trading division of the funding group. He is responsible for overall trading strategies, risk control and development of customer foreign exchange business through the bank's six foreign exchange locations. He was formerly senior vice-president and chief financial officer of California Canadian Bank, the state chartered subsidiary of Canadian Imperial Bank of Commerce and agent of the parent organisation's San Francisco agency.

● Chartered Credit (Hong Kong), a wholly-owned merchant banking subsidiary of the Standard Chartered Group, has changed its name to STANDARD CHARTERED ASIA and made two senior appointments: Mr W. C. L. Brown, the group's area general manager in Hong Kong, has been appointed chairman and Mr J. R. Valdinger has been appointed managing director.

● DOME MINES has appointed Mr C. Henry Brehaut president and chief operating officer of the company and its subsidiaries, Campbell Red Lake Mines and Sigma Mines (Quebec). Mr Brehaut had been vice-president, operations, for all three companies since 1978. Mr Fraser M. Fell will continue as chairman and chief executive officer.

● Mr R. Patrick Forster, a LITTON INDUSTRIES vice-president, has been appointed president of the company's Itek graphic and composition systems division. Mr Forster has been responsible for Litton's public and investor relations for the past two years, and was elected a corporate vice-president in September 1982.

Mr Gordon G. Palmer, a Litton Industries' vice-president and president of its Litton unit handling systems division, has been appointed group executive of the company's new industrial automation systems group. Mr Palmer has been a Litton Corporate vice-president since January 1982 and president of Litton UHS division, Florence, Ky, for almost 11 years.

● ALEXANDER & ALEXANDER SERVICES INC has acquired OBrion, Russell & Co of Boston, one of the oldest and largest independent insurance brokerage firms in New England. Mr J. Deane Somerville, a general partner of OBrion, Russell, has been named chairman and chief executive officer of A&A of Massachusetts. Mr Donald M. Murray, managing vice-president of A&A's Boston office, has been named president and chief operating officer.

● Mr Stanley M. Freedman has been named managing director-Europe for McCORMICK & COMPANY, INC. Mr Freedman, who will be based in Marseilles, will oversee all European subsidiary managers and functional support group staff. For the past year he has served as director of operations-Europe. Mr John M. Truempy will succeed the retiring Mr Hans Beck as managing director-McCormick SA in Switzerland at the end of this year. Mr Beck, who joined the company in 1955, will remain as chairman and serve as a consultant.

● FLEXI-VAN CORP, New York, has appointed Mr Donald Fields as director of risk management. He comes to Flexi-Van from Nabisco Brands Inc, where he was for over 34 years, most recently as deputy director of risk management. Mr George Elkas has been promoted to the newly-created post of senior vice-president, administration and controller of Flexi-Van Leasing Inc.

● Mr Alex Henriksen has been appointed president of NOVO INDUSTRI (JAPAN). He managed Novo's activities in Japan from 1974 to 1978 and was the first general manager of the company when it was established in 1977.

Mr Hikmat S. Nuwayhid, executive director of The Arab Investment Company.

● THE CHICAGO MERCANTILE EXCHANGE has made several senior management appointments in connection with a complete staff reorganisation. Ms Barbara A. Richards has been appointed senior vice-president, marketing. She will continue to be responsible for the exchange's marketing services department. Mr Thomas E. "Rick" Kilcollin has been appointed senior vice-president, research and chief economist. Mr Michael R. Asay has been appointed vice-president of financial marketing.

● Mr R. Edward Glover has been appointed vice-president and regional director for the European and African operations of DEL MONTE INTERNATIONAL, INC. from January 1. He succeeds Mr Reuben Chakalian who has been appointed executive vice-president of R. J. Reynolds Tobacco International at the company's Winston-Salem headquarters in the U.S. Reynolds Tobacco and Del Monte are subsidiaries of R. J. Reynolds Industries Inc.

● LOTUS DEVELOPMENT CORP has promoted Mr Jim Manzi to vice president of marketing and sales. He joined Lotus in June as director of marketing from McKinsey and Company where he was a consultant. Mr Steve J. Crammey has been named national retail sales manager. He comes to Lotus after 17 years at IBM and will report to Mr Manzi.

Mr David L. Sokol has become vice-president of OGDEN CORPORATION. He will be responsible for co-ordinating activities in design, engineering and construction. Mr Sokol joins Ogden from Citibank where he was assistant vice-president for major project financial structuring.

Forecasts 1984

A painful slimming programme

STEEL
PETER BRUCE

EARLY LAST year a South Korean steel executive dismissed complaints from U.S. steel producers about alleged dumping with the words: "They're inefficient, uncompetitive and frightened."

By all accounts, 1984 will be the year when the barons of big steel in the U.S. set out to prove him wrong.

Against a background of chronic international overcapacity, steelmakers in the U.S. are making a determined effort to close works and replace antiquated equipment—a painful and costly process that the Europeans have been trying to get off the ground for several years. The Americans are also showing the most determined signs of combatting even further expansion by low cost third world producers.

The economic recovery in the U.S. has helped. Third quarter 1983 losses at Bethlehem Steel, LTV, Wheeling Pittsburgh, Continental Steel and Inland Steel all dropped sharply compared with 1982. U.S. Steel, the country's major producer, turned in a third quarter profit (thanks largely to Marathon Oil) as did Kaiser Steel.

But the U.S. producers have not been lulled into a false sense of security by rising sales figures, and they have begun to transform their industry.

In theory, total U.S. steelmaking capacity stands at around 150m tonnes. The last time production approached anything like that was the 136m tonnes recorded in 1973. By the end of last year output had fallen to around 67m tonnes with an increase to 77m in prospect for this year.

It was the merger agreement last year between LTV and Republic Steel, which would make them the nation's second largest producer, that pulled the industry back into the public eye.

Analysts hailed the move as a watershed and insisted that the pruning of duplicated plant operated by the two was precisely the right medicine for U.S. steel. The industry needed to shrink and consolidate.

It is an old message. In fact, a few months before the LTV-Republic announcement, U.S. Steel had sown the seeds of its own restructuring when it appointed Mr Thomas Graham, formerly with Jones and Laughlin, as its chief of operations. Mr Graham is widely credited with having devised the dramatic restructuring announced at the end of 1983. This involves assets write offs worth around $1bn.

The U.S. Steel move could take up to 10m tonnes of capacity out of the industry. Already, some 10m tonnes have been lost through closures announced by Bethlehem and Armco. The LTV-Republic merger could result in the loss of a further 5m tonnes in steelmaking capacity.

It is still not clear at what point the U.S. industry's shrinkage will stop. Some analysts believe a further 15m tonnes over and above the U.S. Steel closures are threatened, which would bring usable U.S. capacity into line with the Japanese — at between 100m tonnes and 120m tonnes.

A major proportion of new investment this year will go into energy-efficient continuous casting technology, raising the proportion of crude products formed in this way from 30 per cent to 40 per cent — but still well below the 50 per cent in the UK, 65 per cent in France and Germany and nearly 80 per cent in Japan.

Given the new lead from U.S. Steel, U.S. producers could rapidly outstrip the drawn-out efforts to scale down the steel industry in Europe, where suspicion between individual producers, and between the producers and the European Community bureaucracy, over prices and the monitoring of production quotas is now well entrenched.

The severity of the minimum price limits agreed by EEC governments just before Christmas illustrates this. EEC producers will be required to make cash deposits against shipments which could be forfeited if the price limits are breached.

The new controls represent an inevitable extension of the European Commission's attempts to impose restructuring and rationalisation on the EEC producers. These have failed over the past three years mainly because it was mistakenly believed that what made sense to the Commission made sense to the producers, many of whom would rather wait for the weaker among them to collapse.

There are political problems too, with the Italians, for instance. They are unhappy about having to cut nearly 5m tonnes in capacity from the state sector with job losses totalling some 25,000. State administrations in West Germany have objected to restructuring proposals which deprive them of major industries.

While observers agree that the imposition of the minimum price guidelines should strengthen the Commission's hand over the industry, the move could simply shift the focus of suspicion and price cutting to other areas. The price limits cover mainly flat products and heavy structurals—less than half of EEC output—leaving important strip-consuming operations such as pipes, coated steels, rod, bar and wire.

Margins in many of these products have remained relatively healthy over the past year, but it is quite conceivable that these could now come under heavy pressure as producers try to deflect the effect of the new controls. And it is the Commission, not the producers, which will have to shoulder the burden of proving to competing steelmakers that policing is fair. Given the cynicism with which bureaucracies are viewed by the industry, this will not be easy.

The U.S. and European industries have a capacity problem that the world's major producer, Japan, is quite unable to face. All five Japanese majors—Nippon Steel, Nippon Kokan, Kobe Steel, Sumitomo Metals and Kawasaki Steel — lost heavily last year. But by law they are simply not allowed to scrap plant. Fortunately, Japanese producers have invested heavily in plant over the past 10 years, which allows them to run works at a much lower rate than anywhere in the West.

The Japanese producers will have been far from sanguine at reports that Indonesia plans to build a $500m seamless pipe mill. Four of the Japanese big five began building mills two years ago when the market boomed. It has since collapsed, with prices falling more than 50 per cent, leaving them with expensive assets and, now, an apparentely determined competitor on their doorstep.

South Korea's Pohang Iron and Steel Company is to go ahead with a $500m, 2.7m tonne integrated works, further evidence that, despite suggestions to the contrary, the growth in third world steel production is not flattening out.

To many producers, predominantly in Central and Latin America, the need for hard currency earned by steel exports, in order to repay debt, has proved too strong a priority when measured against the modest requirements of the domestic markets their industries were built to serve.

But while pleas from the U.S. steelmakers for worldwide imports quotas are not likely to be met by the current U.S. Administration, pre-Christmas moves in Washington to discourage lending for steel projects could prove to be a watershed in the development of third world steel.

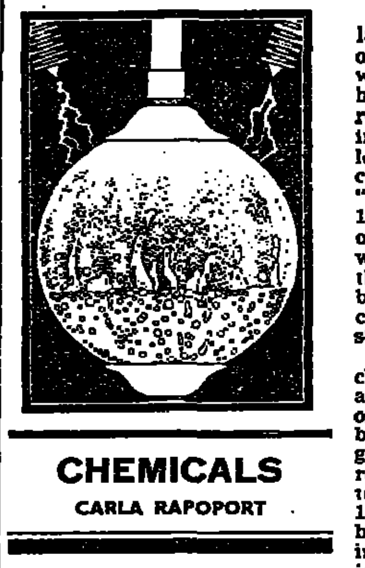
The U.S. Eximbank is looking for international agreements which would prevent further lending and the U.S. Commerce Department is opposing U.S. involvement in the financing of the new Pohang works.

STEEL CONSUMPTION — THE OUTLOOK
(Apparent consumption in million metric tons)

	1983 estimate	1984 forecast	% change
European Community	89	93	+ 4.5
Other West Europe	31	31	—
U.S.	98	110	+12.2
Japan	66	67	+ 1.5
Other industrial countries	21	25	+19
Developing countries	89	92	+ 3.4
Comecon	206	206	—
China and North Korea	53	53	—
World Total	653	677	+ 3.7

Source: IISI

A crucial capacity cutback test



CHEMICALS
CARLA RAPOPORT

IF A party was called to celebrate the recovery currently under way in the chemical industry, very few would come.

And a fair number of those who did show up would very likely ignore the drink and lecture the others present on why they should shut down more of their capacity.

The chemical industry expects continued improvement in volumes, prices and profits in 1984. But most within the industry remain reluctant to celebrate this prospect. The memory of costly, past mistakes is a very fresh one. Many fear that the current upturn could lead to a repetition of those errors and another bout of the painful losses which went with them.

Top executives at almost every major chemical company echo the same theme—the industry must not become complacent, rationalisation must continue, prices must rise, margins have a lot farther to go.

This year, they say, the industry must prove that it can do more than break even or turn a small profit on a reasonable level of volume growth. Mr John Harvey-Jones, chairman of Imperial Chemical Industries of the UK, which virtually eliminated the losses at its huge petrochemical and plastics division in 1983, says: "Our next challenge must be to convert this capital-intensive business to realistic profit."

He says this should happen this year, but adds: "The industry still has 15 to 20 per cent overcapacity in Europe and the need for further rationalisation remains."

According to Mr Ray Knowland, the new chief executive of BP Chemical, 1983 was somewhat disappointing, despite the healthy upturn in volume reported throughout the industry. "We thought (ethylene) cracker shut-downs would continue in 1983," he says. "Tragically, that didn't happen. 1984 will be very much a year of decision for the industry. It will be our last chance to get that rationalisation finished before the Middle East petrochemical plants come on stream."

In early 1982, the European chemical industry generally agreed that some 2.5m tonnes of ethylene capacity ought to be shut down because of flagging demand for the basic petrochemical feedstock. Of that total, 1m tonnes was shut in 1982, but only 300,000 tonnes is believed to have been closed in 1983. Similar cutbacks were identified by the U.S. and Japanese industries as necessary, and rationalisation efforts have been somewhat more successful in those countries.

The slow-down in the pace of rationalisation in Europe has been due to both old and new causes. The old ones include the difficulties that face some governments, for example that of France, in sanctioning further unemployment in the heavy industrial sector.

In the U.S. this kind of constraint does not exist, while in Japan the government has taken a active role in helping to bring about a major rationalisation of its chemical industry.

New factors which have retarded the rationalisation process in Europe include the unexpectedly brisk pace of world recovery, an easing of feedstock prices and the continued strength of the dollar, which has given a boost to exports.

As a result of these latter factors, European chemical volumes have grown by between 12 and 15 per cent in the past year, well ahead of many expectations. Even so, companies are extremely cautious about the level of real underlying demand. Mr Tom Hutchison, chairman of ICI's petrochemical and plastics division, says about half of the upturn in volume is real consumption and the other half is due to the refilling of the stock pipeline.

Predictions for growth in 1984 vary, but over the longer-term the industry is generally agreed that consumption of chemicals in the industrialised world is not likely to be more than 1½ times GDP growth in most countries, if that.

"Volume will continue to be strong in the first half of 1984," says Mr Hutchison. "But I begin to grow nervous about the second half of the year." He predicts that the next downturn for the industry will arrive in 1986.

"I hope like hell that the industry does not sit back and become complacent as the trade cycle improves in 1984," he says.

Others are somewhat more optimistic. Mr Charles Doscher, president of the marketing arm of Enichem, the newly created, government-owned Italian chemical group, says: "Everyone was so bloodied before, I think they've learned their lesson. No one seems to be interested in price wars. There has been a lot of hoopla about the need for more rationalisation, but I think most countries have done what they can do. Operating rates are good and profits will be better."

Mr Doscher says that sales volumes in Europe should improve by around 10 per cent in 1984, which is slightly more optimistic than predictions made by various other competitors. Most, however, asked not to be pinned down. "We've been wrong about volumes so many times in the past," said one top industry executive. "I'm reluctant to forecast. Just say 1984 will be better."

The industry is set on raising, or at least maintaining, prices during the year. Dr David Smith, chief executive of Esso Chemical in London, an Exxon subsidiary, says that operating rates have improved dramatically and some of his plants are operating close to their limits. Price improvements, as a result, have been sustainable, particularly in synthetic and speciality rubbers, he says.

The more efficient chemical companies remain fearful, however, that their weaker competitors will continue to put pressure on prices, which have been sorely depressed since late 1980, in order to achieve higher volumes. Even so, nearly all the companies report a useful upturn in prices in the second half of 1983 (see chart), and a widening of margins in the fourth quarter.

While prices are nowhere near their 1980 peaks, it is important to remember that operating costs have been slashed over the past three years and capital investment has been cut right back. At BP Chemical, for example, the group's capital spending is currently about 60 per cent of its former level.

"Our greatest collective crime of the 1970s," said Mr Harvey-Jones at a recent industry conference, "was the appalling use of capital. How could intelligent men build plants that had a stock turnover of 18 months? I've got some plants with longer turnover periods. We were so besotted with big projects that we lost our sense."

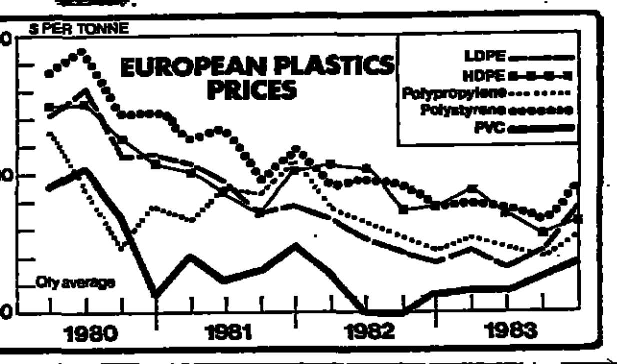
The industry agrees that lower growth rates will mean lower levels of investment for many years to come in the bulk sectors of the industry.

Large capital investments are continuing, however, in the Middle East, where a programme of petrochemical plant construction is expected to be completed next year. When fully on stream, the Saudi Arabian chemical industry is expected to have an output equal to about 5 per cent of the world's production.

Most of the large chemical companies are busily working on marketing deals with the Saudis, but the major impact of the new producer may not be known until late this year or early next.

With a major new producer in the wings, the challenges ahead for the industry on pricing and rationalisation are critical ones.

This concludes a series of industrial and economic forecasts published in the FT this week.



TECHNOLOGY

EDITED BY ALAN CANE

How video will beat Big Brother

Video & Film

By JOHN CHITTOCK

Now that we have arrived in 1984, it seems that video has emerged as a tool of the people rather than of big brother. Everybody is watching instead of being watched—and the proliferation of new products or applications makes keeping up with it all the biggest problem of the year.

Four developments will probably dominate the video industry in 1984: the video disc, interactive video (which does not necessarily mean the video disc), compact video cameras, and hi-fi video. In between is the promise of a succession of new goodies developed either to help us, charm us or more probably confuse us.

Hi-fi video arrived in some British shops just before Christmas — thanks to Panasonic again beating some of its rivals to the High Street. It provides hi-fi stereo sound quality in place of the low-grade sound usually associated with VCRs. It achieves this by employing rotating instead of fixed sound-heads and, additionally, FM rather than AM signal processing — equivalent to the high quality of FM radio reception.

The result is outstanding. Direct comparisons with compact digital (CD) optical audio discs failed to reveal any difference.

The video side of the system is also improved (although not to the same extent). At a little over £700 it is likely that hi-fi VHS recorders will become the universal audio-video system for the home that has everything else; the conventional hi-fi system could become redundant—so that it all happens via the same VHS tape, as audio, video, or both.

A development such as this merely adds to the confusion over the future of video discs because — until now — the disc has not only yielded superior picture quality than tape but also hi-fi sound. It does so at a much lower price, and even the cheapest players — such as Hitachi's at under £300—yields sound quality that will satisfy the average music listener. Hitachi's player (using RCA's CED technology) also gives picture quality that is remarkably good for a system significantly simpler than the optical Laser-Vision format.

Yet the optical disc is now establishing itself and 1984 could well see an end to the question marks about it. The success does not come, yet, from consumer enthusiasm but the growth of professional applications. Innovatory projects are emerging in the most unexpected places.

For example, Marconi Avionics has provided a disc system for McDonnell Douglas in the U.S. to assist in aircraft maintenance. The optical disc player (in this case from Sony) provides an audio-visual reference system for use by an engineer when working in an aircraft—this includes limited audio playback even when still pictures are "held" for display. The engineer can see the replay on a display mounted in the peak of his safety helmet — rather like an aircraft "head up" display.

The Audio-Visual Centre of London University has just revealed its video disc venture, funded by a grant of £200,000 (the major part from the Department of Trade and Industry plus £60,000 from Thorn EMI). This will involve the production of four video discs—two on aspects of human anatomy, one related to law studies and another veterinary medicine.

The Centre has already produced a pilot video disc to explore its use in computer-controlled learning programs. This experimental disc includes 10,000 still photographs and has been made in collaboration with Cambridge University's Department of Anthropology and others.

Such exercises now seem to be springing up all over the UK and the U.S. Even arcade games manufacturers in North America are adopting the video disc to bring more realistic games to this flagging branch of the leisure business. Some games offer horse racing and Grand Prix car events, providing both realism and instant interactivity between player and program.

The newly-formed CAT company (Computer Assisted Televideo) has another unusual project in hand for the Hachette multi-store complex at L'Opera in Paris. In the cafe of this 21st century concept — where video and the cinemas will be featured as major themes—a wall of 54 television screens is being installed as a multi-screen display, remotely programmed by six video disc players plus a live camera and videotape. The flexibility of the video disc in retrieving still or moving pictures is ideal in such situations.

The company responsible for making the discs—CAT—is one of several deeply involved in interactive video. Some confusion prevails as to what exactly this buzz word "interactive" means. George Orwell would have been disappointed because interactive video merely places control of the television programme in the hands of the viewer instead of the sender: the viewer can not only stop, reverse or move about the programme, but can seek responses from the video programme appropriate to questions or needs posed by the viewer's reactions to the story so far.

In its most elegant form, interactive video uses a touch-sensitive TV screen. This automatically registers the point in a scene touched by the viewer and rapidly accesses an appropriate part of the disc in response.

The compact video camera/recorder is the other development that will capture the imagination of all who use it in 1984—signalling the "brain death" of 8 mm film.

By 1994, hi fi sound on video will be joined by hi fi pictures—from the VCR and the television set itself, still using the 625 line PAL method of transmission. Although much has been made of high definition television, which uses many more lines than conventional television, improvements in picture quality are possible without the expensive re-engineering of our broadcast transmission systems.

At present, the consumer may be indifferent to the improvements in picture quality that are possible—just as the consumer was indifferent to hi fi sound 30 years ago. But by 1994, bigger and better pictures will be wanted to accompany the hi fi sound. By then, we shall all be in control of television instead of being its slaves, watching big brother sharper than ever; warts and all.

BRITISH RESEARCHERS PLAN SPACE COMMUNICATIONS FOR VEHICLES

Satellite messages for cars

BY PETER MARSH

BRITISH RESEARCHERS have borrowed a technique from the Soviet Union in a plan for a communications satellite that would provide radio links for cars and lorries.

The satellite would be placed in a highly elliptical orbit around the earth such that it hovers above Britain for some eight hours a day. During this period, vehicles would point their aerials directly upwards to set up a radio connection with the spacecraft.

The antennas could be nothing more than flat sheets that are glued to the roofs of cars or lorries and painted over. That is the view of engineers at the Science and Engineering Research Council's Rutherford Appleton Laboratory near Oxford who are working on the scheme.

If the council and other government departments approve the plan, the £20m vehicle could enter orbit in 1988. The Department of Trade and Industry and the Ministry of Defence may contribute to the cost.

The spacecraft's full name is the Communications Engineering Research Satellite. Commercial versions of the hardware could bring a nationwide system of radio communications to vehicles such as ambulances, road tankers and trains.

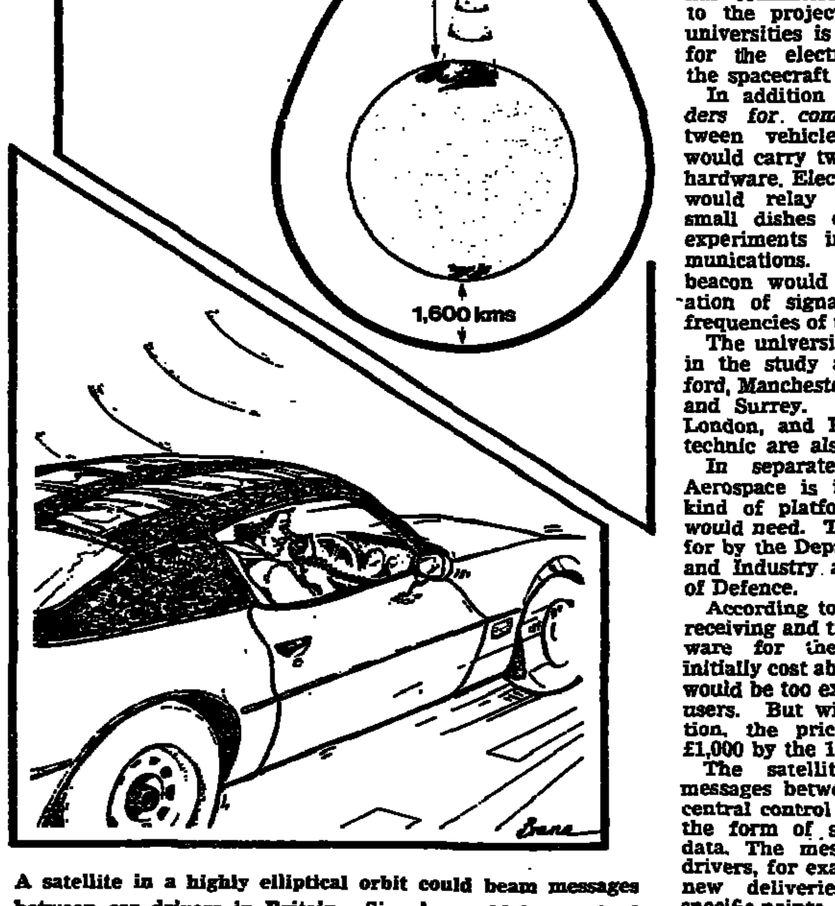
The existing radio bands for vehicles and other mobile users are becoming increasingly crowded. The problem will be eased only partially by the introduction of cellular radio in Britain later this decade.

Cellular radio will connect vehicles to each other and to the public telephone network but it will probably become available spasmodically and only in large towns.

Communications satellites are normally in the geostationary orbit 36,000 kilometres above the equator but this orbit is unsuitable for land vehicles in a northerly country such as Britain.

To receive signals from a geostationary spacecraft, cars and lorries would have to point their antennas to a point in the sky a long way south. In built-up areas, transmissions would be blocked by buildings.

The British satellite would enter what is called a Molniya orbit. This is on account of the Soviet spacecraft of this name that are in similar trajectories.



A satellite in a highly elliptical orbit could beam messages between car drivers in Britain. Signals would be received by flat antennas glued to cars' roofs.

Because its launch sites are in such northerly latitudes, the Soviet Union has difficulty placing satellites in the geostationary orbit. Providing several Molniya spacecraft are circling the earth at a given time, the satellites can provide coverage of the Soviet Union for 24 hours a day.

The British satellite would reach its furthest point from the earth over the UK, some 38,000 km into space. In this part of its orbit, the vehicle would be travelling very slowly. This is why, at this position, it "sees" the earth for as long as 8 hours.

The spacecraft's trajectory would take it closest to the earth the other side of the globe to Britain. At this point, the satellite would be about 1,600 km above the South Atlantic.

Such highly elliptical orbits have been largely ignored by the people in the western world who plan satellite communications. Instead, they have concentrated on injecting spacecraft into the geostationary ring, which is rapidly becoming clogged.

"The Molniya orbit is a natural resource lying fallow as far as the West is concerned," said a researcher at the Rutherford Appleton Laboratory.

So far the Science and Engineering Research Council has committed about £150,000 to the project. A group of universities is specifying plans for the electronic equipment the spacecraft would carry.

In addition to the transponders for communications between vehicles, the satellite would carry two other items of hardware. Electronic equipment would relay signals between small dishes on the earth in experiments in business communications. And a radio beacon would measure attenuation of signals at very high frequencies of up to 90 GHz.

The universities participating in the study are Essex, Bradford, Manchester, Loughborough and Surrey. Chelsea College, London, and Portsmouth Polytechnic are also involved.

In separate work, British Aerospace is investigating the kind of platform the satellite would need. This study is paid for by the Department of Trade and Industry and the Ministry of Defence.

According to researchers, the receiving and transmitting hardware for the system would initially cost about £5,000, which would be too expensive for most users. But with mass production, the price could fall to £1,000 by the 1990s.

The satellite would relay messages between vehicles and central control points mainly in the form of short streams of data. The messages could tell drivers, for example, to pick up new deliveries of cargo at specific points. The information could appear on screens built into dashboards or on head-up displays projected onto windscreens.

Some voice channels could also be available.

The Automobile Association and Shell are among the organisations which say they may be interested in using the satellite. The spacecraft would provide communications between service vehicles and tankers respectively.

If the plan goes ahead, Britain could gain a world lead in communications by satellite for vehicles. Canada is the only country committed to a similar system.

Energy

Economic washes for laundries

LAUNDRIES USE an enormous amount of energy of which some could be recovered says Future Laundry Systems, a Warwickshire based company. It has developed a heat recovery system which it says can recover up to 85 per cent of energy which would normally be lost down the drain.

The Dynatherm system has been designed to operate with large continuous batch washers, known in the trade as tunnels. Future Laundry Systems believes that its new unit will have application in hospital laundries throughout the UK. In addition the wide use of tunnel washers in Europe gives the system considerable export potential. More information on 0926 612121.

Measurement

Pressure transmitters

CHELL INSTRUMENTS of North Walsham, Norfolk, is marketing a new absolute pressure transmitter said to be resistant to most corrosive process gases including uranium hexafluoride and hydrogen fluoride.

The transmitter is one of the Baratron family of pressure sensing systems developed by MKS Instruments of Boston widely used in nuclear enrichment plants in the UK, Netherlands, West Germany and the U.S.

The new transmitter uses a two-wire, 4-20m A output especially suited to large process plants where voltage-dependent systems are prone to noise. More from Chell on 0692 402488.

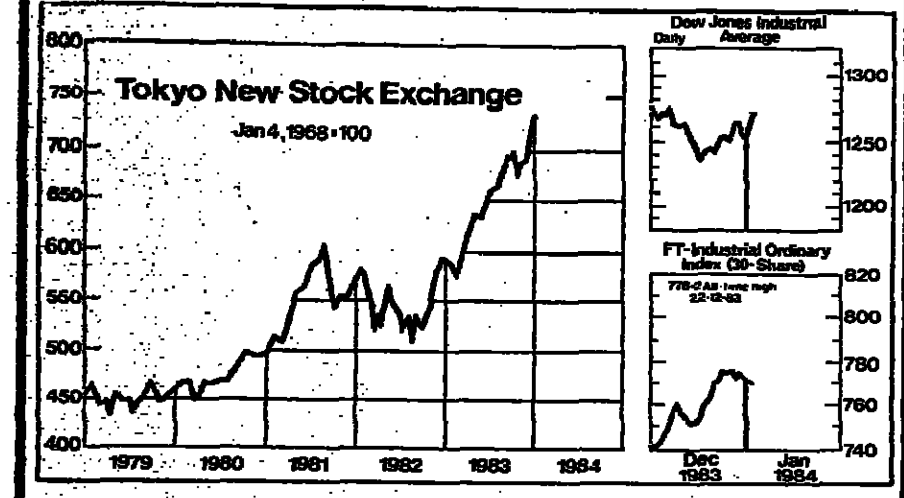
SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday January 5 1984

Cocoa speculators run for cover as prices plunge, Page 30

KEY MARKET MONITORS



STOCK MARKET INDICES

	Jan 4	Previous	Year ago
NEW YORK			
DJ Industrials	1269.05	1252.74	1046.08
DJ Transport	602.21	593.94	442.34
DJ Utilities	133.09	131.21	121.35
S&P Composite	165.43*	164.04	141.35
LONDON			
FT Ind Ord	770.30	771.80	612.70
FT-A All-share	470.89	470.03	350.10
FT-A 500	502.52	502.24	430.93
FT-A Ind	461.70	462.05	405.40
FT Gold mines	553.90	576.60	569.60
FT Govt secs	83.18	83.10	81.32
TOKYO			
Nikkei-Dow	9927.11	9893.82	8021.40
Tokyo SE	735.45	731.80	592.84
AUSTRALIA			
All Ord.	780.30	782.70	487.80
Metals & Mins.	560.00	567.40	411.80
AUSTRIA			
Credit Aktien	55.65	55.06	51.09
BELGIUM			
Belgian SE	135.28	135.61	100.50
CANADA			
Toronto Composite	2541.70*	2551.50	1949.80
Montreal Industrials	441.36*	443.06	331.18
Combined	425.18*	426.45	323.12
DENMARK			
Copenhagen SE	n/a	218.35	102.20
FRANCE			
CAC Gen	157.30	155.60	n/a
Ind. Tendance	101.30	99.40	n/a
WEST GERMANY			
FAZ-Aktien	354.94	358.16	255.81
Commerzbank	1052.40	1060.60	771.90
HONG KONG			
Hang Seng	877.26	871.06	261.61
ITALY			
Banca Comm.	195.43	194.38	161.88
NETHERLANDS			
ANP-CBS Gen	162.70	161.70	100.10
ANP-CBS Ind	135.60	135.80	83.50
NORWAY			
Oslo SE	221.67	225.07	99.01
SINGAPORE			
Straits Times	1015.69	1013.59	712.49
SOUTH AFRICA			
Golds	941.90	889.00	975.60
Industrials	981.50	967.70	745.00
SPAIN			
Madrid SE	101.86	101.22	n/a
SWEDEN			
J & P	1401.04	1457.29	899.06
SWITZERLAND			
Swiss Bank Ind	384.80	388.70	294.40
WORLD	Jan 3	Prev	Yr ago
Capital Int'l	183.20	184.10	154.50

GOLD (per ounce)

	Jan 4	Prev
London	$375.375	$380.875
Frankfurt	$374.50	$382.50
Zürich	$374.25	$380.25
Paris (fixing)	$376.97	$385.03
Luxembourg (fixing)	$376.75	$383.30
New York (Jan)	$377.30	$379.20

* Latest pre-close figure; † Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Jan 4	U.S. DOLLAR Previous	STERLING Jan 4	STERLING Previous
$	–	–	1.4205	1.4285
DM	2.7845	2.7590	3.9575	3.94125
Yen	233.3	232.25	332.0	331.75
FFr	8.4975	8.4365	12.065	12.055
SwFr	2.228	2.212	3.165	3.165
Guilder	3.1235	3.0965	4.44	4.425
Lira	1687.0	1672.0	2395.5	2388.0
BFr	56.76	56.21	80.65	80.28
C$	1.24925	1.24575	1.7735	1.78

INTEREST RATES

	Jan 4	Prev
Euro-currencies (offered rate)		
£	9 9/16	9 7/16
SwFr	3 15/16	4
DM	6	5 15/16
FFr	13 3/4	13 1/2
FT London Interbank fixing (offered rate)		
3-month U.S.$	10 1/8	10
6-month U.S.$	10 3/8	10 3/8
U.S. Fed Funds	10†	11 1/4
U.S. 3-month CDs	9.6	9.55
U.S. 3-month T-bills	8.95†	9.03

U.S. BONDS

Treasury		Jan 4 Price	Jan 4 Yield	Prev Price	Prev Yield
10%	1985	100 6/32	10.79	100 6/32	10.81
11¾	1991	99 26/32	11.78	99 25/32	11.79
11.75	1993	99 17/32	11.84	99 18/32	11.83
12	2013	100 1/32*	12.00*	100 20/32	11.91
Corporate					
AT & T					
10⅜	June 1990	93⅝*	11.92*	93⅝	11.97
3⅞	July 1990	68*	10.90*	67⅝*	10.95*
8⅝	May 2000	75*	12.34*	74⅜*	12.45*
Xerox					
10⅞	March 1993	92*	12.10*	91⅝	12.16
Diamond Shamrock					
10⅜	May 1993	90⅝*	12.40*	90	12.50
Federated Dept Stores					
10⅜	May 2013	86⅝*	12.40*	86⅝	12.40
Abbot Lab					
11.80	Feb 2013	95⅛*	12.45*	94⅝	12.52
Alcoa					
12½	Dec 2012	95⅝*	12.80*	95⅝	12.85

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	70-06	70-06	69-16	69-22
U.S. Treasury Bills (IMM) $1m points of 100%				
March	90.79	90.82	90.66	90.71
Certificates of Deposit (IMM) $1m points of 100%				
March	90.08	90.12	89.87	89.98
LONDON				
Three-month Eurodollar $1m points of 100%				
March	89.87	89.87	89.73	89.85
20-year Notional Gilt £50,000 32nds of 100%				
March	109-28	109-29	108-27	109-10

COMMODITIES

(London)	Jan. 4	Prev
Silver (spot fixing)	599.90p	624.30p
Copper (cash)	£998.75	£1002.00
Coffee (Jan)	£1942.50	£1943.00
Oil (spot Arabian light)	$28.55	$28.50

WALL STREET

Credit hopes encourage confidence

A MORE confident mood emerged on Wall Street yesterday when turnover in both stock and bond sectors showed a welcome increase. Credit market specialists remained convinced that U.S. interest rates are likely to ease in the short term, and some analysts suggested that the Federal Reserve might loosen its credit policies, *writes Terry Byland in New York.*

But short-term rates stayed high in the money markets, with demand for cash intensified by the banks' weekly settlement operations. The Federal funds rate was above 10 per cent for much of the session despite a further, and larger, measure of help from the Federal Reserve which announced $2bn in customer re-purchase arrangements when the funds rate stood at 10 per cent.

Buoying the stock market was a busy trade in the new AT & T and telephone operating company issues. AT & T again topped the active list with ease, but the price held unchanged at $17¾ on its first day as a constituent of the Dow Jones industrial average.

The average itself was three points down in early trading when Eastman Kodak, a leading constituent, dropped by $1⅛ to $75⅞ after announcing details of its new video camera recorder.

But by 3pm, with Eastman Kodak only $¾ off at $76¼, the average had forged ahead by 11.92 to 1264.66 and turnover was moving up towards pre-holiday levels. The Dow shot up 16.31 to close at 1269.05.

Among the telephone operating companies, Ameritech, which provides telephone services throughout the freeze-hit areas of Illinois, Michigan and Wisconsin, gained $1⅞ to $68½.

Widespread gains were achieved by other phone company issues, with Bell Atlantic $2⅜ up at $69⅜. Bell South $2¼ higher at $89¼, U.S. West $2 better at $59⅞,

After some initial uncertainty over the implications for world oil prices of the military coup in Nigeria, oil stocks began to edge higher. Exxon put on $¼ to $36⅞. But the feature of the sector was Getty Oil, $6⅞ up at $104⅞, with about 1m shares turned over after Pennzoil disclosed its offer of $110-plus for each unit of common stock.

IBM moved up by $⅛ to $121⅞ and Honeywell was also firm at $132, a net gain of $1. Other leading issues to find buyers included General Motors $¼ higher at $74½ and RCA $⅛ up at $48⅛.

A centre of market interest was Warner Communications as investors tried to plot the next move for the stock which is now targeted for buying both by Chris-Craft and by Mr Rupert Murdoch. Warner advanced $⅜ to $27¾ with the market baffled by the latest developments.

There were some dull spots in the market. The retail sector remained out of favour, despite the first confirmations of peak Christmas trading in an announcement by Montgomery Ward. Sears Roebuck, which is raising money in the Euromarket, shaded lower by $⅛ to $36⅞.

Kerr McGee, the petroleum and oil industry group, fell $¾ to $30¼ after disclosing that profits fell heavily in 1983.

In the credit markets, there was some retail interest and although yields remained firm, professional traders were encouraged by the market's apparent success in absorbing the recent weight of Treasury funding.

The key long bond – the 12 per cent of 2013 – traded at 100 24/32, little changed from overnight and yielding 11.91 per cent.

Treasury bill discounts were forced higher in response to the weekly auction of bills, postponed to Tuesday because of the New Year holiday. The auction brought discount rates of 9.04 per cent on three month bills and 9.19 per cent on six months, gains of 10 and five basis points respectively on the previous auctions.

In the market, six month bills pushed the discount ahead to 9.17 per cent yesterday but three months bills remained at 9.04 per cent.

TOKYO

Record high in new year buying spree

THE Tokyo market greeted the new year in a buoyant mood, and the Nikkei-Dow average reached another all-time high yesterday, as investors, spurred by expectations of full economic recovery in 1984, went on an extensive buying spree, centring on optical communications issues and blue chips with the likelihood of stock splits, *writes Shigeo Nishiwaki of Jiji Press.*

The Dow average finished the year's first session at 9,927.11, up 33.29 from December 28, climbing above the 9,900 level for the first time in the exchange's history. Trading, at 301.87m shares, was fairly active for a half-day session.

Stocks related to optical fibre cable transmission, one of the most promising sectors this year, came into the limelight. Sumitomo Electric Industries advanced Y40 to Y928. Furukawa Electric Y34 to Y435, and Nippon Sheet Glass Y16 to Y645.

Buying extended to high-priced blue chips, which began to attract investors with an eye for possible stock splits since late last year. Kokusai Denshin Denwa (KDD), the overseas telecommunications monopoly, rose Y1,200 to Y15,050. Kyocera closed Y450 higher at Y9,900 after being quoted at Y10,000 at one point, and TDK rose Y70 to Y5,550.

Medium and low-priced chemicals were also firm. Shin-Etsu Chemical advanced Y61 to Y1,050, its first close above Y1,000, on better earning prospects and good performance of Shin-Etsu Handotai, a semiconductor silicon subsidiary. Sumitomo Chemical was up Y5 to Y212.

Mitsubishi Oil rose Y26 to Y375 on its business tie-up with Nippon Oil, and Isuzu Motors Y40 to Y376 on reports that General Motors plans to increase its equity share in the Japanese group. Matsushita Electric Industrial scored a day's high of Y2,010 before closing up Y10 at Y1,990, and Honda Motor rose Y20 to Y1,130.

Victor, developer of the VHS-format video cassette recorders (VCR), advanced Y60 to Y3,290 against the background of an expanding VHS share on the world VCR market. By contrast, Sony, which leads the Beta-format VCR makers, lost Y190 to Y3,470.

But large-capital steels and shipbuildings were easier in active trading, with Nippon Steel, the volume leader with 20.08m shares changing hands, shedding Y1 to Y174, Kawasaki Steel Y1 to Y183, and Mitsubishi Heavy Industries Y2 to Y273.

Expectations for lower interest rates pushed bond prices higher, with city banks and other financial institutions showing strong buying interest.

The yield on the benchmark 7.5 per cent government bond, due in January 1993, declined to 7.345 per cent before finishing at the lowest close of 7.355 per cent, down 0.01 of a percentage point from the last session of 1983.

EUROPE

Six of the best for the Dutch

AGGRESSIVE buying by both Dutch and foreign institutions took **Amsterdam** to its sixth successive record high yesterday in hectic trading which took the ANP-CBS general index 1.0 higher to 162.7.

U.S. interest in Unilever singled it out as a feature of the session with a Fl 11.50 gain to Fl 272 while Hoogovens, which said it cut losses in 1983, added Fl 2.40 to Fl 53.90.

Among internationals, Philips was the only issue to open lower, but reversed its losses to finish 40 cents higher at Fl 47. Strength in this sector pushed the International Index to another record high of 170.8, a rise of 1.80.

The market ignored the rise in interbank interest rates which saw overnight funds rise ⅛ percentage point to a bid/asked range of 5⅝ to 5¾ per cent.

ABN was Fl 7 higher at Fl 396, while Amro added Fl 1.80 to Fl 67.50. Insurer Aegon put on Fl 4.50 to Fl 134.

Heineken made up some of the losses of the previous session with a Fl 3.30 rise to Fl 137.80, while Robeco surrendered some recent strength with a 30 cents drop to Fl 337.20. Rodamco stood steadfast at Fl 130.10.

Surplus liquidity, resulting from January interest yields on Government bonds issued last year in exchange for nationalisations, brightened **Paris** trading yesterday.

Peugeot, despite its industrial unrest and a generally weak motor sector, gained FFr 1 to FFr 208 and Elf-Aquitaine added FFr 3 to FFr 175.

Foods were mixed to higher BSN FFr 45 up at FFr 2,705 and Carrefour FFr 52 higher at FFr 1,365, while Pernod Ricard advanced FFr 17 to FFr 770.

Banks, constructions, hotels, stores, electricals and chemicals gained ground while engineering issues were weaker.

Elsewhere in Europe, bourses were suffering from post-holiday depression. In **Frankfurt**, the party was definitely over with a 8.2 drop to 1,052.4 in the Commerzbank index. Higher unemployment figures added to the gloom.

Allianz continued its decline, shedding DM 13 to DM 797 – a two day fall of DM 21 – despite the expected £160m capital gain from abandoning its bid for the UK insurer, Eagle Star.

In stores, Horten's improved profits for 1983 failed to dispel the despondancy und closed DM 4 lower at DM 182 while Karstadt suffered a similar drop to DM 285. Kaufhof was less vulnerable and finished 50 pfg weaker at DM 266.50.

Daimler-Benz proved the weakest in motors with a DM 9.50 drop to DM 638 ex-dividend, although VW was only DM 1.40 easier at DM 226.30.

Mannesmann was the only significant bright spot of the session with a DM 3 rise to DM 149.

Quiet trading in **Brussels** saw share prices edge lower with scattered gains on moderate volume. Most issues consolidated recent gains in **Milan**, while heavy **Zurich** dealing saw shares retreat although most held onto part of their recent gains.

Heavy industry stocks were a feature in active **Stockholm** trading.

LONDON

Secondary stocks in limelight

LEADING equities continued to drift back from last week's record levels in London. An early decline was the result of a lack of fresh investment incentives and shares failed to find support before a late rally on technical considerations and Wall Street's brighter early trend.

The emphasis instead was on secondary stocks with smaller investors showing enthusiasm to invest funds and speculators also active.

The Financial Times Industrial Ordinary index which was down 3.7 at 11 am, ended 1.5 lower on the day at 770.3.

Government stocks were initially unsettled by sterling's renewed weakness against the dollar. However, they rallied to close with longer-dated issues fractionally dearer on the day with the shorts only slightly cheaper.

Details, page 25; share information service, pages 26-27.

AUSTRALIA

THE LONG overdue correction to the record run in Sydney took place yesterday with the All Ordinaries index slipping 2.40 to 780.30, largely as a result of weakness in the resource sector. Profit-taking did not surface, however, in industrials which pushed the All Industrials index 1.60 up to 1,013.90, another record.

The fall in the bullion price to under $380 an ounce, attributed to the rise in the U.S. money supply, was the catalyst in the resource nosedive.

BHP was 15 cents off at A$14.25 while CRA shed 6 cents to level off at A$8.00

HONG KONG

LEADING shares closed unchanged or slightly higher in Hong Kong but sufficient impetus existed to nudge the Hang Seng index 6.2 higher to 877.26.

Investors took to the sidelines and are expected to remain there until the next round of the Sino-British talks

Hutchison Whampoa added 10 cents to HK$14.70 while Jardine Matheson was unchanged at HK$11.20. Hongkong Land put on 8 cents to HK$2.95.

SINGAPORE

DEMAND for bank, industrial and plantation shares in Singapore pushed the Straits Times industrial index 2.10 up to a record high of 1,015.69, although some profit-taking pared earlier gains.

Bullish forecasts of improved economic growth for Malaysia and Singapore during the year underpinned the advances.

Genting added 5 cents to S$5.20 and Straits Trading gained 6 cents to S$1.98. Elsewhere, Sime Darby shed 3 cents to S$2.76.

SOUTH AFRICA

GOLD SHARES failed to find any support in Johannesburg against a background of a bullion price slipping towards $370 and the rand which was at a record low against the dollar.

Among heavyweight producers, Freguls shed R3.25 to R42.75 while in lower priced issues, Unisel fell R1.25 to R16.

Industrials, banking and insurance issues remained firm, against the trend.

CANADA

WEAKNESS in gold shares led an overall lower tone in Toronto in moderately active trading. An easier trend was also seen among the metals and mining sector and oil and gas issues.

Montreal was weaker with industrials and banks posting sharp falls, although small gains were made by papers and utilities issues.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

B—B—B

C—C—C

D—D—D

E—E—E

F—F—F

G—G—G

H—H—H

I—I—I

J—J—J

K—K—K

L—L—L

M—M—M

N—N—N

O—O—O

P—Q

Continued on Page 23

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

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Continued on Page 24

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 22

[illegible]

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17⅞	9	Wyly				154	10⅝	10½	10⅝	+⅛
22⅞	14	Wynns	.60	3.2	17	82	19½	19	19	−⅝
		X–Y–Z								
52⅛	35	Xerox	3	6.0	11	4455	50⅝	49⅛	50⅞	+1⅛
53⅝	47⅞	Xerox	pf5.45	11		70	48½	48⅛	48½	+⅛
37	19¼	XTRA	1	9	23	108	34¼	33⅞	34⅛	+⅛
34	20½	ZaleCp	1.26	4.2	17	149	30⅛	30	30	
21⅞	14⅝	Zapata	.84	5.1	7	687	16⅝	16⅝	16⅝	
52¼	29⅛	Zayre	s .30	.7	13	517	42⅝	42	42	−⅛
39	13⅝	ZenithR			43	1251	u36½	35⅝	36¼	+⅝
28⅝	14⅝	Zero	s .32	1.2	25	197	u27⅞	27	27⅞	+½
37⅞	24⅛	Zurnin	1.32	4.7	10	268	28	28⅞	28	+1⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 23

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
[illegible]										

Sub-headings in the table: S–S–S, T–T–T, U–U–U, V–V–V, W–W–W, X–Y–Z.

CANADA

(Closing Prices) Stock	Jan 4	Varn.
AMCA Int.	26⅝	-⅛
Abitibi	25⅝	+⅛
Agnico Eagle	17⅛	-
Alberta Energy	18⅝	-⅛
Alcan Alumn	49½	+⅝
Algoma Steel	30⅛	-
Asbestos	10⅝	-
Bk Montreal	27⅞	-⅛
Bk Nova Scotia	44⅛	-⅛
Bell Canada	33⅛	-
Bombardier A	19	-
Bow Valley	26	+⅛
B.P.Canada	-	-
Brascan A	39⅛	+⅛
Brinco	2.87	-0.03
B. C. Forest	13½	-
CIL Inc	31⅝	-
Cadillac Fairv.	10½	+⅛
Can Cement	-	-
Can NW Energy	28⅜	-⅜
Can Packers	28⅛	-
Can Trusco	45⅝	+⅝
Can Imp Bank	31⅛	-⅛
Canadian Pacific	51⅛	+⅜
Can. P. Ent.	24⅝	+⅜
Can Tyre A	13⅜	-
Carling O'Kfe	22½	+⅛
Chieftain	18⅝	-
Cominco	58	-½
Cons Bathst A	27½	+½
Coseka Resources	3.95	-0.05
Costain	10⅝	+⅛
Denison Mines	45⅛	-⅝
Dofasco	58⅜	-1
Dome Mines	16⅞	-
Dome Petroleum	4.25	+0.1
Dominion Strs.	19½	-⅛
Domtar	30⅝	+⅛
Falconbridge	70½	-
Genstar	30⅛	-⅛
Giant Y'knife	21⅜	-1⅛
Gt West Life	-	-
Gulf Canada	17⅜	-⅛
Hawk Sid Can	18⅛	+⅛
Hudson's Bay	24⅛	-⅛
[illegible]		
Marks & Spencer	15½	+½
Massey-Ferg	5⅞	+⅛
McIntyre Mines	35½	+1
Mitel	18⅛	+⅜
Moore Corp	52⅞	-⅝
Nat. Sea Prods A	7⅞	+⅛
Noranda Mines	26⅝	+⅜
Numac Oil	13⅛	-
Nova Alberta	7½	+⅛
Nthn Telecom	50⅛	+1⅞
Oakwood Pet	8⅞	-
Pancanadian Pet	24⅝	+⅛
Patino	18	-
Placer Dev	23½	-⅜
Power Corp Can	20	-⅜
Quebec Sturgeon	7⅜	-⅛
Ranger Oil	14	-⅛
Reed Stenhse A	12⅛	-⅛
Rio Algom	19⅛	-⅛
Royal Bank	34½	+⅛
Royal Trustco A	29⅞	-⅛
Sceptre Res	5⅝	-⅛
Seagram	45	+⅛
Simpson Sears A	-	-
Shell Can Oil	23⅜	-
Steico	30⅝	+⅜
Tech B	11	-⅛
Texaco (Canada)	40⅞	-½
Thomson News A	39	-
Toronto Dom Bank	16½	-⅛
Transalta A	21½	+⅛
Trans. Can. Pipe	31⅛	-⅛
Walker Hiram	28	-
Westcoast Trans	15⅛	-
Weston (Geo)	63½	-

DENMARK

Jan. 4	Price Knr %	+ or —
Aarhus Olie	475	....
Andelsbanken	348	-3
Baltica Skand.	655	-4
CopHandelsbank	333	-8
D. Sukkerfab.	776	+11
Danske Bank	367	-10
East Asiatic	196	+5
Forende Brygg.	1,250	-15
Forende Damp.	195	-1
GNT Hldg	669	....
I.S.S.B.	725	+10
Jyske Bank	699	-6
Novo Ind.	2,905	+65
Privatbanken	356	-9
Provinsbanken	360	-3
Smidth (F)	308	....
Sophus Berend.	1,215	....
Superfos	523	-6

FRANCE

Jan. 4	Price Frs.	+ or —
Emprunt 4½% 1975	1,832	-8
Emprunt 7% 1973	9,655	+5
CNE 3%	3,205	+55
Air Liquide	523	+2
BIC	416xc	+8
Bouygues	700	+6
BSN Gervais	2,705	+45
CIT-Alcatel	1,365	+56
Carrefour	1,366	+52
Club Mediter'n	774	+1
CFAO	675	+25
Cie Bancaire	461	+6
Cofimeg	206	+1
Creusot Loire	47.1	+3.2
Darty	790	+19
Dumez	846	+1
Eaux (Cie Gen)	585	+31
Elf-Aquitaine	175	+3
Gen. Occidental	679	-4
Imetal	60.5	-0.5
Lafarge Coppee	294	+2
L'oreal	2,225	+16
Legrand	1,910	+9
Maisons Phenix	339	+7
Matra	1,304	+89
[illegible]		
Poclain	59.5	+1.9
Printemps Au.	140	+5
Radiotech	413	+13
Redoute	1049	+8
Roussel-Uclaf.	730	+30
Schneider	89	+4
Sefimeg	260	-1.5
Skis Rossignol	1,320	+7
Telemech Elect.	1,428	+12
Thompson (CSF)	232	+15
Valeo	299	+4

NETHERLANDS

Jan. 4	Price Fls.	+ or —
ACF Holding	200	-3
Aegon	134	+4.5
Ahold	206.5	+2
AKZO	105	+1
ABN	396	+7
AMEV	169	+2
AMRO	67.5	+1.8
Bredero Cert.	204	+2.5
Boskalis Westm.	45.2	-0.7
Buhrmann-Tet.	64	+1
Caland Hldgs.	37	....
Credit Lyon'is Bk	68.5	-0.5
Elsevier-NDU nv.	521	+3
Gist.-Brocades	174.5	+3
Heineken	137.8	+3.3
Hoogovens	53.9	+2.4
Hunter Douglas	25.9	....
Int-Muller	36.5	-0.6
KLM	198.5	+2.5
Naarden Intl.	49	+1.7
Nat Ned Cert.	208.5	+3.5
Ned. Credit Bank	38.7	....
Ned Mid Bank	158.5	+1
Nedlloyd.	111	+0.5
Oce Grinten	252.5	-3.5
Ommeren (Van)	30	+0.1
Pakhoed	60.5	-1
Philips	47	+0.4
Rijn-Schelde	4.1	+0.1
Robeco	337.2	-0.3
Rodamco	130.1	....
Rolinco	324.7	-0.3
Rorento	201.3	+0.5
Royal Dutch	143.3	+2.7
Unilever	272	+11.5
VMF Stork	109.5	-0.5
VNU	141	+1
West Utr Bank	132.8	+1.8

NORWAY

Jan. 4	Price Kroner	+ or —
Bergens Bank	155	....
Borregaard	196	-2.5
Christiania Bk.	154	-1
Den Norsk Credit	157.5	....
Elkem	132.5	-4.5
Norsk Data	274	-3
Norsk Hydro	496	-7
Storebrand	181	-3

SPAIN

Jan. 4	Price Pta%	+ or —
Bco Bilbao	252	+2
Bco Central	274	+4
Bco Exterior	193	....
Bco Hispano	207	+1
Bco Santander	267	+1
Bco Vizcaya	314	....
Dragados	121.5	+13.5
Hidrola	42.2	+1.2
Iberduero	40.2	-0.8
Petroleos	100	-5
Telefonica	68	+2

SWEDEN

Jan. 4	Price Kronor	+ or —
AGA	345	+10
Alfa-Laval	275	+5
ASEA (Free)	410	....
Astra (Free)	595	....
Atlas Copco	180	+2
Boliden	386	-2
Cardo	382	-3
Cellulosa (Free)	170	-4
Electrolux B	252	+6
Ericsson	396	-3
Esselte (Free)	298	+3
Mo Och Domsjo	430	+3
Pharmacia (Free)	321	-9
Saab-Skania	301	+5
Sandvik B (Free)	315	+6
Skandia	445	....
Skan Enskilda	315	+7
SKF B	166	+8
St. Kopparberg	736	+25
Sven Handelsbn	217	+3
Swedish Match	269	+7
Volvo B (Free)	428	-2

AUSTRIA

Jan. 4	Price Sch%	+ or —
Creditanstalt	206	-4
Goesser	385	-3
Interunfall	410	....
Landerbank	214	....
Perlmooser	316	+3
Steyr Daimler	164	-1
Veitscher Mag	214	+1

BELGIUM/LUXEMBOURG

Jan. 4	Price Frs.	+ or —
ARBED	1,220	-18
Banq Int A Lux	4,965	....
Bekaert B	3,590	....
Ciment BR	2,155	-10
Cockerill	175	....
Delhaize	5,000	+50
EBES	2,435	+20
Electrobel	6,340	-10
Fabrique Nat.	2,250	+50
GB Inno BM	3,275	-20
GBL (Brux)	2,390	+5
Gevaert	3,045	+25
Hoboken	5,450	....
Intercom	1,870xr	+20
Kredietbank	6,300	+80
Pan Hldgs.	9,080	....
Petrofina	6,010	-30
Royale Belge	7,400	+80
Soc. Gen. Banq	2,900	-50
Soc. Gen. Belge	1,660	-15
Sofina	5,640	+30
Solvay	3,640	-60
Tractionel	3,390	+30
UCB	4,690	+80
Vieille Mont	3,715	+15

GERMANY

Jan. 4	Price Dm.	+ or —
AEG-Telef	84.7	+1.8
Allianz Vers.	797	-13
BASF	174.5	-0.5
Bayer	174.9	-0.1
Bayer-Hypo	295	-3
Bayer-Verein	335	....
BHF-Bank	282	-2
BMW	433	....
Brown Boveri	231	-0.5
Commerzbank	174.7	-1.8
Conti Gummi	136.1	+3.1
Daimler-Benz	638xr	-9.5
Degussa	388	....
Demag	146	....
D'sche Babcock	193.5	-0.5
Deutsche Bank	350.2	-2.5
Dresdner Bank	176	-1.7
GHH	154	-3.5
Hochtief	1,051	-4
Hoechst	185	+1
Hoesch Werke	106.7	-1.6
Holzmann (P)	445	-2
Horten	182	-4
Kali und Salz	195	-4
Karstadt	285	-4
Kaufhof	266.6	-0.5
KHD	279.5	-2
Kloeckner	47	-1.5
Krupp	73	-1
Linde	399	-1.5
Lufthansa	154.5	+0.5
MAN	141	-3.7
Mannesmann	149	+3
Mercedes Hld	565	-4
Metallgesell	220	....
Muench Rueck	1,180	-105
Preussag	276	+0.5
Rhein West Elect	179.5	....
Rosenthal	284	-4
Schering	380	-2
Siemens	386.5	....
Thyssen	84.3	-0.2
Varta	180	....
Veba	171.5	-0.5
V.E.W.	124.9	+0.4
Verein-West	312	-1
Volkswagen	286.3	-1.4

ITALY

Jan. 4	Price Lire	+ or —
Banca Com'le	26,200	-350
Bastogi-IRBS	136	+3
Centrale	1,269	+22
Credito Varesino	3,835	-25
Fiat	3,440	-9
Finsider	49	....
Generale (Assic)	133,860	+600
Invest	3,120	+12
Italcementi	39,010	-290
Montedison	225.2	+1.8
Olivetti	3,890	-9
Pirelli Co	2,870	+35
Pirelli Spa	1,590	+39
Snia BPD	1,315	+15
Toro Assic.	12,350	....
do. Pref	8,550	+150

SWITZERLAND

Jan. 4	Price Frs.	+ or —
Alusuisse	900	-10
Bank Leu	4,420	-30
Brown Boveri	1,465	-15
Ciba Geigy	2,340	-65
do. (Part Certs)	1,890	-50
Credit Suisse	2,375	+20
Elektrowatt	2,845	-5
Fischer (Geo.)	675	-10
Genevoise	3,850	....
Hoff-RochePtCts	95,250	-1,750
Hoff-Roche 1/10	10,950	-175
Jacobs Suchard	6,590	-10
Jelmoli	1,940	-60
Landis & Gyr	1,590	....
Nestle	5,040	+50
Oer-Buehrle	1,390	-40
Pirelli	257	-3
Sandoz (Br)	7,375	+75
Sandoz (PtCts)	1,165	-5
Schindler (PtCts)	485	....
Swissair	990	-5
Swiss Bank	333	....
Swiss Reinsce	8,200	-100
Swiss Volksbk	1,490	-10
Union Bank	3,620	-40
Winterthur	3,250	....
Zurich Ins	19,000	-100

AUSTRALIA

Jan. 4	Price Aust. $	+ or —
ANZ Group	5.06	+0.04
Acrow Aust	1.46	....
Alliance Oil D	0.6	-0.02
Ampol Pet	1.9	....
Aust Cons Inds	1.89	-0.01
Aust Guarant	3	....
Aust Nat Inds	2.7	+0.05
Aust Paper	2.35	....
Bond Hldgs	1.33	....
Boral	3.45	-0.05
B'ville Copper	0.38	....
Brambles Inds	3.3	-0.02
Bridge Oil	3.28	-0.15
BHP	14.26	-0.15
CRA	[illegible]	-0.10
CSR	4.23	....
Carlton & Utd	3.63	....
Castlemaine	5.0	....
Coles (G.J.)	[illegible]	....
Comalco	3.13	+0.01
Consolidated Pet	0.76	-0.01
Costain	1.35	....
Dunlop	1.72	-0.02
E.Z. Ind.	6.4	....
Elders IXL	4.45	-0.05
Energy Res	1.8	....
Gen Prop Trust	2.15	+0.07
Hardie (J.)	3.95	+0.05
Hartogen Energy	2.86	-0.1
Herald W'y Times	3.3	-0.1
ICI Aust.	2.46	....
Jimb'lana (50cFP)	0.35	....
Kia Ora Gold	0.16	....
Lend Lease	5.06	....
MIM	3.9	-0.08
Mayne Nickless	2.9	....
Meekatharra	1.16	-0.04
Myer Emp.	2.05	-0.03
Nat.Com.Bk.	3.8	+0.04
News	10.1	....
Nicholas Kiwi	3.25	....
North Bkn Hill	3.3	-0.02
Oakbridge	1.10	....
Otter Expl	0.52	-0.05
Pancon	1.2	-0.05
Pioneer Conc	2.06	-0.04
Reckitt & Coln	3.6	-0.1
Repco	1.32	+0.02
Santos	8.12	-0.08
Smith (H.)	4.4	....
Southland Min'g	0.3	-0.04
Spargos Expl	0.4	....
Thos. Natwide	2.4	-0.05
Tooth	5.1	+0.05
UMAL Cons	3.4	-0.09
Vamgas	3.9	-0.18
Western Mining	4.27	-0.18
Westpac	3.85	-0.05
Woodside Petrol	1.2	-0.01
Woolworths	2.8	....
Wormald Intl	3.15	....

HONG KONG

Jan. 4	Price H.K.$	+ or —
Bank East Asia	19.8	....
Carrian Invest.	0.87	....
Cheung Kong	7.4	+0.1
China Light	12	+0.2
Hang Lung Devel.	1.42	-0.05
Hang Seng Bank	38	....
HK Electric	5.45	+0.05
HK Kowloon Wh.	3.72	+0.05
HK Land	2.95	+0.05
HK Shanghai Bk.	7.00	....
HK Telephone	33.75	....
Hutchison Wpa	14.7	+0.1
Jardine Math	11.2	....
New World Dev.	2.7	+0.05
Orient O'seas	2.62	....
O'seas Trust Bk.	2.82	+0.02
SKH Props.	4.8	....
Swire Pac A	14.6	....
Wheel'k Mard A	2.97	+0.02
Wheel'k M'time	1.75	....
World Int. Holdgs	1.56	....

JAPAN

Jan. 4	Price Yen	+ or —
Ajinomoto	1,090	-30
Alps Electric	2,620	+20
Amada	1,070	+30
Asahi Chem	425	-2
Asahi Glass	735	+6
Bridgestone	641	....
Canon	1,670	....
Casio Comp.	1,500	+10
Chugai Pharm	970	-3
Citizen	671	-12
Daiei	666	....
Dai Nippon Ptg	914	+4
Daiwa House	520	+14
Ebara	336	+6
Eisai	1,270	....
Fanuc	10,150	+150
Fuji Bank	500	....
Fuji Film	2,000	....
Fujisawa	970	+5
Fujitsu	1,350	+30
Green Cross	1,490	+30
Hasegawa	420	+9
Heiwa Real Est.	617	+2
Hitachi	838	+12
Hitachi Credit	1,340	+40
Honda	1,130	+20
House Food	636	+1
Hoya	1,690	+30
Itoh (C)	311	+2
Ito-Yokado	1,800	+20
Iwatsu	2,130	-70
JACCS	543	+2
JAL	2,460	+60
Jusco	925	+10
Kajima	320	-10
Kao Soap	702	+19
Kashiyama	692	+12
Kirin	526	-1
Kokuyo	898	+2
Komatsu	544	+1

JAPAN (continued)

Jan. 4	Price Yen	+ or —
Konishiroku	647	-8
Kubota	309	-4
Kumagai	460	+8
Kyoto Ceramic	5,800	+450
Maeda Const.	618	+13
Makino Milling	1,030	+10
Makita	1,220	+20
Marubeni	276	+2
Marudai	700	+52
Marui	1,300	+30
MEI	1,520	+10
M'ta Elec Works	665	+15
M'bishi Bank	1,000	....
M'bishi Corp	546	+3
M'bishi Elec	419	+8
M'bishi Estate	481	+1
MHI	273	-3
Mitsui Co	366	+1
Mitsui Estate	778	+3
Mitsukoshi	475	+25
NGK Insulators	702	+4
Nihon Cement	320	....
Nippon Denso	1,680	-20
Nippon Elect	1,490	+30
Nippon Express	315	-4
Nippon Gakki	612	+2
Nippon Kokan	146	-1
Nippon Oil	1,060	+40
Nippon Seiko	687	+8
Nippon Shinpan	665	-6
Nippon Steel	174	-1
Nippon Suisan	316	-1
NTV	6,990	....
Nippon Yusen	251	-5
Nissan Motor	750	-5
Nisshin Flour	430	+10
Nisshin Steel	179	+1
Nomura	739	+14
Olympus	1,100	....
Omron Tateisi	2,100	....
Orient Leasing	2,400	+60
Pioneer	3,680	-60
Renown	726	+16
Ricoh	1,120	....
Sankyo	670	+27
Sanyo Elect	586	-15
Sapporo	428	+7
Sekisui Prefab	808	-17
Seven-Eleven	8,250	+250
Sharp	1,400	....
Shimadzu	535	+7
Shionogi	700	-31
Shiseido	1,030	+20
Sony	3,470	-190
Stanley	795	-6
S'tomo Elect	928	+30
S'tomo Marine	256	+7
S'tomo Metal	162	....
Taihei Dengyo	565	+2
Taisei Corp	230	+7
Taisho Pharm	895	-3
Takeda	745	+24
TDK	5,650	+70
Teijin	395	+1
Teikoku Oil	690	....
Tokio Marine	557	-1
TBS	700	-9
Tokyo Elect Pwr.	1,200	+10
Tokyo Gas	162	....
Tokyo Sanyo	683	+18
Tokyo Style	980	....
Tokyu Corp	324	+4
Toppan Print	704	....
Toray	425	....
Toshiba	424	+2
TOTO	582	-1
Toyo Seikan	705	+5
Toyota Motor	1,600	....
Victor	3,290	+60
Wacoal	711	+5
Yamaha	478	....
Yamanouchi	1,430	+50
Yamazaki	744	....
Yasuda Fire	247	+6
Yokogawa	424	+2

SINGAPORE

Jan. 4	Price $	+ or —
Boustead Bhd	3.0	-0.04
Cold Storage	5.2	+0.1
DBS	10.3	....
Fraser & Neave	5.7	+0.05
Genting	5.2	+0.05
Haw Par	2.45	-0.01
Inchcape Bhd	3.06	+0.11
Keppel Shipyard	3.72	+0.02
Malay Banking	9.3	-0.1
Malay Brew	7.15	+0.2
Multi Purpose	2.03	-0.04
OCBC	11.4	+0.2
OUB	4.76	+0.08
Sime Darby	2.76	-0.03
Straits St'mship	1.98	+0.06
Straits Trdg.	6.1	....
UOB	5.8	-0.05

SOUTH AFRICA

Jan. 4	Price Rand	+ or —
Abercom	2.95	+0.10
AECI	9.2	....
Anglo Am Coal	25	....
Anglo Am Corp	19.7	-0.5
Anglo Am Gold	134	....
Barclays Bank	20.25	....
Barlow Rand	13.9	....
Buffels	65.0	-5.5
CNA Gallo	2.6	....
Currie Finance	4.45	+0.05
De Beers	8.95	-0.15
Driefontein	38.0	-1.25
FS Geduld	42.75	-3.25
Gold Fields S.A.	25.5	-0.5
Highveld Steel	5.10	-0.05
Nedbank	16.75	....
OK Bazaars	21.5	+0.5
Protea Hldgs	3.30	-0.05
Rembrandt	23.25	....
Rennies	14.25	....
Rustenburg	12.9	-0.1
Sage Hldgs	7.3	....
SA Brews	7.85	....
Smith (C.G)	24.25	....
Tongaat Huletts	12.25	+0.25
Unisec	6.6	....

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK—DOW JONES

	Jan 4	Jan 3	Jan 2	Dec 30	Dec 29	Dec 28	1983-84 High	1983-84 Low	Since Compil'n High	Since Compil'n Low
Industrials	1269.87	1252.74	1258.64	1258.64	1260.16	1263.21	1287.2 (29/11)	1027.04 (3/1)	1287.2 (29/11/83)	41.22 (2/7/32)
Transport	602.21	593.94	598.59	598.59	591.89	598.25	612.57 (2/11)	434.24 (3/1)	612.57 (2/11/83)	12.23 (8/7/32)
Utilities	133.89	131.25	131.84	131.84	131.78	132.95	140.7 (20/2)	119.46 (3/1)	163.32 (20/4/69)	10.50 (28/4/42)
Trading vol 000s	11590	7133	7184	7184	8656	8566				

	Dec 22	Dec 9	Dec 2	Year Ago (Approx)
Ind div yield %	4.51	4.47	4.45	5.18

STANDARD AND POORS

	Jan 4	Jan 3	Jan 2	Dec 30	Dec 29	Dec 28	1983-84 High	1983-84 Low	Since Compil'n High	Since Compil'n Low
Industrials	188.85	185.81	186.24	186.24	186.31	186.85	193.22 (10/10)	154.95 (3/1)	193.22 (10/10/83)	3.52 (30/6/32)
Composite	166.78	164.04	164.93	164.93	164.86	165.34	172.65 (10/10)	138.34 (3/1)	172.65 (10/10/83)	4.4 (1/6/32)

	Dec 28	Dec 21	Dec 14	Year Ago (Approx)
Ind div yield %	3.72	3.77	3.78	4.69
Ind. P/E Ratio	13.57	13.37	13.33	10.90
Long Gov Bond Yield	11.78	11.78	11.90	10.44

N.Y.S.E. ALL COMMON / RISES AND FALLS

1983-84		Jan 4	Jan 3	Jan 2
[illegible]	Issues traded	1924	1895	2064
	Rises	775	781	853
	Falls	863	862	687
	Unchanged	286	278	444

MONTREAL / TORONTO

	Jan 4	Jan 3	Jan 2	Dec 30	1983-84 High	1983-84 Low
Industrials	[illegible]					
Combined	[illegible]					
TORONTO Composite	[illegible]					

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

	Jan. 4	Jan. 3	Jan. 2	Dec. 30	1983/84 High	1983/84 Low
AUSTRALIA All Ord. (1/1/80)	780.3	782.7	(c)	775.5	782.7 (3/1/84)	487.8 (4/1/83)
Metals & Minls. (1/1/80)	560.0	567.4	(c)	562.2	614.2 (5/9)	411.8 (4/1/83)
AUSTRIA Credit Aktien (2/1/62)	55.65	56.06	56.21	(c)	58.8 (6/6)	46.46 (15/2)
BELGIUM Belgian SE (31/12/63)	135.82	135.61	135.44	(c)	136.77 (27/12)	100.50 (4/1/83)
DENMARK Copenhagen SE (3/1/83)	(u)	218.36	(u)	214.86	218.36 (3/1/84)	100.00 (3/1/83)
FRANCE CAC General (31/12/82)	157.5	155.6	(c)	155.7	157.5 (4/1/84)	98.1 (5/1/83)
Ind Tendance (30/12/83)	101.5	99.4	(c)	—	101.5 (4/1/84)	99.4 (3/1/84)
GERMANY FAZ-Aktien (31/12/58)	354.94	358.16	357.28	349.25	358.16 (3/1/84)	241.68 (25/1/83)
Commerzbank (1/12/53)	1052.4	1060.6	1059.7	1033.1	1060.6 (3/1/84)	727.9 (25/1/83)
HONG KONG Hang Seng Bank (31/7/64)	877.26	871.06	(c)	874.94	1102.64 (21/7)	690.06 (4/10)
ITALY Banca Comm Ital. (1972)	195.43	194.58	192.06	191.49	214.85 (21/3)	188.45 (10/1/83)
JAPAN** Nikkei-Dow (16/5/49)	9927.11	(c)	(c)	(c)	9927.11 (4/1/84)	7803.18 (25/1/83)
Tokyo SE New (4/1/68)	755.45	(c)	(c)	(c)	755.45 (4/1/84)	574.51 (25/1/83)
NETHERLANDS ANP-CBS General (1970)	162.7	161.7	158.5	(c)	162.7 (4/1/84)	100.1 (4/1/83)
ANP-CBS Indust (1970)	135.8	135.8	133.9	(c)	135.8 (3/1/84)	86.5 (4/1/83)
NORWAY Oslo SE (4/1/83)	221.67	225.07	226.55	222.06	226.55 (2/1/84)	99.97 (4/1/83)
SINGAPORE Straits Times (1966)	1015.69	1013.56	(c)	1002.06	1015.69 (4/1/84)	712.29 (5/1/83)
SOUTH AFRICA Gold (1958)	(u)	869.0	(c)	867.5	1099.6 (1/2)	651.4 (1/11)
Industrial (1958)	(u)	957.7	(c)	955.1	969.7 (26/8)	794.8 (3/1/83)
SPAIN Madrid SE (30/12/83)	101.88	101.22	(c)	—	101.88 (4/1/84)	100.00 (30/12/83)
SWEDEN Jacobson & P. (1/1/58)	1461.94	1457.29	1451.88	1445.46	1526.85 (21/12)	898.16 (3/1/83)
SWITZERLAND SwissBankCpn. (31/12/58)	364.9	356.7	(c)	(c)	368.7 (3/1/84)	294.4 (4/1/83)
WORLD Capital Intl. (1/1/70)	—	155.2	154.1	154.9	155.5 (10/10)	134.5 (3/1/83)

Exchange cross rates

Apr. 22	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.546	3.788	366.3	11.845	3.195	4.263	2234.	1.897	75.45
U.S. Dollar	0.647	1.	2.451	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.227	48.82
Deutschemark	0.264	[illegible]								19.92
Japanese Yen 1,000	[illegible]									06.0
French Franc 10	[illegible]									
Swiss Franc	[illegible]									.62
Dutch Guilder	[illegible]									.69
Italian Lira 1,000	0.44									
Canadian Dollar	0.527	0.815	1.997	194.1	6.242	1.679	2.246	1178.	1.	39.76
Belgian Franc 100	1.325	2.048	5.020	486.4	15.04	4.221	5.649	2961.	2.514	100.

MARKET REPORT

Emphasis switches to secondary equities but leaders only marginally easier at the close

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Dec 12	Dec 22	Dec 29	Jan 9
Dec 30	Jan 12	Jan 13	Jan 23
Jan 16	Jan 26	Jan 27	Feb 6

* "New-time" dealings may take place from 9.30 am two business days earlier.

The emphasis in London equity markets yesterday switched to secondary stocks at the expense of blue chip industrials. Institutional investors were apparently still undecided on their investment intentions following recent conflicting forecasts of UK economic trends this year, but smaller investors showed enthusiasm and speculators were also active. Government stocks were initially unsettled by sterling's renewed weakness against the dollar, but rallied well later to close mixed.

Shares recommended in New Year lists and other stocks that could be included in this weekend's financial columns, along with bid situations either actual, or rumoured, continued to highlight proceedings. Among the sectors, Breweries were enlivened by the 7.4 per cent increase in November production figures, and Irish oil exploration issues by another burst of speculative buying. Shell featured as dealers reassessed recent events in Nigeria.

Leading equities, in contrast, continued to drift away from last week's record levels. Wall Street's overnight fall and the lack of any fresh investment incentive made for a dull start with dealers opening values lower. They eased further in the absence of support but rallied well towards the close on technical considerations and Wall Street's brighter trend early yesterday.

The Financial Times Industrial Ordinary share index showed a fall of 3.7 at 11 am and a loss of 1.5 at 3 pm. At the close, it was down by a similar amount to 770.3. Over a point of the fall was attributable to **London Brick**, which fell 6 to 128p folowing the Board's detailed submission to the Office of Fair Trading of the reasons why **Hanson Trust's** 120p per share offer should be referred to the Monopolies Commission.

The pound's resumed weakness against the dollar—at one point yesterday the rate was near its worst-ever level—caused some anxiety to holders of Government securities. Revived nervous selling lowered all maturities, with the longs bearing the brunt of the fall and sustaining losses extending to ⅜. Shortly before midday selling pressure lifted but the market remained pensive awaiting the U.S. bond market opening. Values there began a shade easier but soon rallied and London was quick to follow. With sterling simultaneously recovering from the lowest levels against the U.S. currency, longer-dated Gilts regained their early losses to close fractionally dearer on the day; the shorts, however, ended slightly cheaper on balance.

Insurance investors switched to Lloyd's Brokers as the dollar's current strength drew fresh attention to their substantial overseas earnings potential. **Willis Faber** stood out with a further improvement of 19 to 734p and **C. E. Heath** did well at 355p, up 13. **Minet** put on 6 to 149p and **Stewart Wrightson** 5 to 305p, while **Sedgwick** appreciated 4 to 241p. Life issues turned irregular after the previous day's strength on Prudential's impressive new life business figures. Pru at 490p, held Tuesday's gain of 10 but **Hambro Life** slipped 6 to 480p. Composites rallied, but demand was small. **Commercial Union** rose 5 to 183p and **Royals** gained 13 to 495p.

Clearing banks were supported, albeit on a modest scale. **Midland** closed 7 better at 395p and **Lloyds** the same amount higher at 525p. Elsewhere, **Hill Samuel** perked up on a resurgence of U.S. bid speculation to end 6 better at 333p, but **Kleinwort Benson** gave up 10 at 430p. Among Hire Purchases, **United Leasing** reflected an investment recommendation with a rise of 10 to 210p.

Encouraging November beer production figures, showing a 7.4 per cent increase on the same month in 1982, coupled with a leading broker's bullish review of the sector stimulated persistent demand for Breweries. **Bass**, 312p, and **Grand Metropolitan**, 335p, rose 7 and 5 respectively, while **Allied-Lyons**, additionally buoyed by a newsletter recommendation, closed 4 dearer at 142p. **Scottish and Newcastle**, aided by an increase in canned beer prices, responded to revived takeover speculation and advanced 4½ to 104p. Among regionals, **Belhaven** improved another penny to 35p with sentiment helped by a press profile of director Nazmu Virani and his family. Elsewhere, **Arthur Bell** closed 3 better at 133p; the company has launched an offer for the Gleneagles hotel chain.

London Brick apart, the level of business among leading Building issues remained at a low ebb and quotations tended to drift easier. **Barratt Developments** softened a couple of pence to 172p and **George Wimpey** shed 3 to 131p, the latter despite an investment recommendation. Secondary issues, by contrast, attracted selective support. **Bryant Holdings** firmed 4 to 54p on country buying, while renewed demand in a restricted market lifted **J. Jarvis** 5 to 250p. Investors again favoured **Henderson Group**, which closed 6 up at 193p. **H. J. Baldwin**, Tuesday's late firm feature following sharply increased half-year profits and proposed share-splitting plans, met with fresh support and touched 82p before profit-taking brought a swift reaction to 71p for a gain of only 3 on the day.

Strong & Fisher wanted

ICI, a shade easier initially, subsequently edged forward to 640p, again on currency influences, before slipping late on Wall Street advices to end a net 6 off at 632p. Elsewhere, in the Chemical sector, **Novo Industries** B rose 7 points to £205.

Investors continued to display enthusiasm for Shoe and Leather issues. **Strong and Fisher** again drew strength from recent comment highlighting possible links with Polly Peck and advanced 22 to 129p, after 131p. **Garnar Booth** closed 7 up at 109p, while **Style** rose 5 to 163p. A shade firmer at the outset, recent speculative high-flyer **FII** succumbed to sporadic profit-taking and closed a net 7 lower at 208p.

Leading retailers remained subdued and it was left to secondary counters to make the running. **Waring and Gillow** rose 4 to 100p following a squeeze on bear positions, while **Harris Queensway** advanced 8 to 322p, after 324p. Among smaller-priced issues, **Tranwood** rose 1¼ to 7¼p, while **Excalibur Jewellery** firmed a penny more to 12p.

News of Bulgarian contracts worth £8.4m directed further buying interest to **Chloride**, which put on 4½ more at 30½p. Elsewhere in Electricals, **Oceonics** improved 10 to 274p in belated response to press mention, but adverse comment prompted renewed dullness in **Electronic Machine**, down 4 further at 42p, after 40p.

Interest in the Engineering sector continued to centre on the smaller-priced issues. **John Brown** revived with a rise of 2 to 20p, after 21p, while **Wellman** firmed a penny to 13½p and **Richardsons Westgarth** improved 2½ to 28½p. **F. Pratt** also showed to advantage with a gain of 3 to 30p. Reflecting news of the 1.74 per cent H. J. Baldwin stake in the company, **Renold** rose 3 more to 28p. Elsewhere, **Babcock International** came to life at 160p, up 4, but **Belgrave (Blackheath)** encountered profit-taking and gave up 8 at 128p.

Activity in the Food sector broadened with Retailers returning to the fore. Buying ahead of next Tuesday's interim results left **Associated Dairies** 4 dearer at 154p, while demand related to recent option business lifted **Tesco** 6 to 173p. **Kwik Save** found support and firmed 5 to 350p, as did **Dee Corporation**, which rose the same amount to 435p. Elsewhere, **Ranks Hovis McDougall** gained the turn to 77p following an investment recommendation. **United Biscuits** were popular at 139p, up 4, while **S. and W. Berisford** gained 7 to 202p on favourable press comment.

New Year investment recommendations provided numerous features in the miscellaneous industrial sector. Gains of around 10 were recorded in **Pilkington Bros**, 236p, **Ricardo**, 96p, **Associated Heat Services**, 334p, **Harvey and Thompson**, 85p, and **Hargreaves Group**, 87p. **Radiant Metal**, up 5 at 62p, reflected the good recovery in interim profits, while **Ashley Industrial Trust** advanced 7 to 21p on speculative buying ahead of the premilinary figures expected shortly. **London and Liverpool** moved between extremes of 22p and 25p before closing unaltered at 24p following the decision to close the group's Telejector operations. Selective demand for office equipment manufacturers left **Gestetner A** up 5 more at 69p and **Rotaprint** 1¼ to the good at 12½p. **Bellair**, a particularly strong market of late, came back ¾ to £11½ on the official statement that directors were not aware of any reason for the recent spectacular rise in the share price. **Trafalgar House**, suggested as a possible bidder for the onshore oil explorer **Candecca**, eased to 217p before settling 3 lower on the day at 219p. Losses among the leaders were relatively modest after another slow trading session. **Unilever**, up 25 more at 930p, and the NV shares, 1¾ higher at £35¼, continued to move against the trend on hopes of a recovery in the Nigerian economic situation following the recent change of Government.

Trident TV A again figured prominently in the Leisure sector, gaining 6 to 129p as vague bid rumours continued to circulate; the preliminary results are scheduled for January 17. **Leisuretime International** attracted support on talk of a broker's recommendation and, in a restricted market, put on 10 to 60p. Demand, believed to have emanated from one source left **Pavilion Leisure** 3 dearer at 80p. Travel issues drew fresh support, **Horizon** adding 4 to 172p and **Intasun** hardening 3 to 58p.

Component manufacturing highlighted the Motor sector. **Armstrong Equipment** advanced 3 to 36p following news of a larger suspension licensing agreement with the Chinese car industry and the sale of its South African subsidiary for R9.5m. Carburettor makers **Solex UK** rose 6 to 93p on the plans to manufacture electronic fuel injection systems. Distributors traded irregularly. **Kenning** attracted revived support and added 4 more at 235p, but **Lex Service** encountered profit-taking and shed 1¼ to 381p.

A tip sheet recommendation directed attention towards **British Printing and Communication** which rose 6 to 145p. Persistent demand in a narrow market lifted **Carlton Communications** 40 to 455p, and **Eucalyptus Pulp** 8 at 240p.

Fresh demand, including some on institutional account, gave the Property sector a distinctly firm appearance. **MEPC** rose 7 to 277p and **Land Securities** 6 to 278p, while **Great Portland Estates**, 146p, and **Capital and Counties**, 174p, both added 4. Others to attract buyers included **London Shop Property**, 6 up at 176p, and **British Land**, 3 dearer at a 1983-84 peak of 108p. Elsewhere, **Mountleigh** advanced 30 to 240p following excellent half-year figures, the Board's confident statement on second-half prospects and news of the acquisition of an Aberdeen office complex.

Currency influences prompted scattered support of Far-Eastern Investment Trusts with **G.T. Japan**, 152p, **Crescent Japan**, 708p, and **New Tokyo**, 302p, all settling around 7 dearer. **London Prudential** advanced 13 to 203p following the announcement that **Atlanta**, 2 up at 131p, had acquired a near-15 per cent stake for investment purposes.

Shell good again

Shell continued to dominate activity in oils, the shares advancing 10 more to 585p—a two-day gain of 17—following another strong performance by **Royal Dutch** on the Amsterdam market. The latter rose ¾ more to £32¼. Other leading oils closed with minor changes either way, although British Petroleum were prompted strong gains in the Irish exploration issues, especially **Eglinton**, 35 up at a 1983-4 high of 365p and **Atlantic Resources** which put on 10 at 665p. **Bryson Oil and Gas** jumped 35 to 240p. Rumours of an imminent statement on the recently announced bid approach caused a flurry of interest in **Candecca** which moved up 5 to 185p, while **Bristol Oil and Minerals** touched 50p prior to closing unchanged on balance at 48p following the farm-out deal with North South Resources and International Petroleum on Bristol's onshore concession in Dubai.

Commodity traders made progress across the broad. A particularly lively business developed in **Inchcape**, 13 better at 285p, and touched 8 to 194p. Meat traders **Thomas Borthwick** were also in demand and touched 30p before settling 2 up on balance at 29p.

After an initial bout of profit-taking, Tea attracted fresh support in the wake of the buoyant commodity price and closed at the day's best. **Williamson** were outstanding with a rise of 10 to 320p, while **Crosby House** gained 8 to 237p.

Golds sharply lower

The continued strength of the dollar against sterling failed to offset a general retreat by mining markets. The further decline in bullion, which closed a net $5.50 down at $375.375 an ounce, prompted persistent and often substantial selling of South African Golds, which fell sharply throughout the day before steadying in the after-hours' trading.

The Gold Mines index dropped 24.7 to 553.9—its lowest level since November 25.

Top-quality heavyweights bore the brunt of the selling pressure, falls in excess of £2 being common to **Randfontein**, £98¾, **Hartebeest**, £48, **Vaal Reefs**, £75 and **Free State Geduld**, £24, while losses of around a full point were seen in **Kloof**, £31½, **Stilfontein**, £10¾, and **President Steyn**, £30½.

Medium priced stocks showed falls of 6S common to **Zandpan**, 778p, and **Welkom**, 760p.

The Johannesburg selling of Golds spilled over into Financials where South Africa's "**Amgold**" fell £1½ to £74½ and **De Beers** 7 to 510p, the latter ahead of the 1983 diamond sales figures, due next week.

London Financials retreated across the board with **Consolidated Gold Field** closing a net 10 cheaper at 487p.

Weak Platinums showed falls of around 20 common to **Impala** 890p and **Rustenburg**, 730p, while **Lydenburg** lost 5 at 535p.

A sharp bout of profit-taking in overnight Sydney and Melbourne markets prompted a similar trend in London and Australian issues were left with widespread losses. **Western Mining** closed 6 down at 272p.

Among the established gold producers, **Poseidon** slipped 5 to 290p and **Emperor** 12 to 190p. Speculative **Haoma Gold** dropped 1½ to 17p.

Elsewhere, South Africa's antimony-gold producer **Consolidated Murchison** initially rose to 810p but encountered Johannesburg selling later and settled a net 25 off at 775p.

After a relatively subdued morning session, demand for Traded Options improved and total contracts completed amounted to 2,292, slightly better than the previous day. The strength of the Brewery sector directed operators towards **Grand Metropolitan**, which attracted 205 calls and 97 puts. **GEC** recorded 144 calls with the April 180s' again proving popular and attracting 102 trades. Noteworthy premium gains were generally restricted to mining puts. **Consolidated Gold Fields** January 500's rose 5 to 26p, while **Vaal Reefs** February 110's added 3 at $11. **De Beers** March 750 puts closed 8 dearer at 50.

FINANCIAL TIMES STOCK INDICES

	Jan. 4	Jan. 3	Dec. 30	Dec. 29	Dec. 28	Dec. 22	A year ago
Government Secs	83.18	83.10	83.12	83.15	83.57	83.15	81.32
Fixed Interest	86.46	86.35	86.41	86.28	86.35	86.25	82.26
Industrial Ord.	770.3	771.8	776.7	772.9	775.6	775.0	612.7
Gold Mines	553.9	578.6	575.7	580.9	594.0	583.4	569.7
Ord. Div. Yield	4.61	4.61	4.58	4.59	4.58	4.58	4.89
Earnings Yld.% (full)	9.43	9.42	9.37	9.38	9.36	9.36	10.65
P/E Ratio (net) (*)	12.92	12.95	13.01	12.99	13.03	13.02	11.40
Total bargains	17,725	15,769	17,014	14,487	16,804	10,818	21,006
Equity turnover £m.	—	150.83	156.31	229.00	112.85	133.53	188.35
Equity bargains	—	15,140	15,418	13,541	10,505	10,140	19,154
Shares traded (ml)	—	85.9	100.2	110.1	90.7	83.6	150.6

10 am 769.0. 11 am 768.1. Noon 768.8. 1 pm 769.5. 2 pm 769.3. 3 pm 770.3.

Basis 100 Govt. Secs. 8/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/11/58. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=12.15.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.70 (11/11)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	86.46 (4/1/84)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	776.7 (30/12)	598.4 (12/1)	776.2 (22/12/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	444.6 (1/1)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 3	Dec. 30
Daily Gilt Edged Bargains	121.4	106.2
Equities Bargains	98.1	108.4
Value	364.8	315.0
5-day Avrge Gilt-Edged Bargains	104.3	107.5
Equities Bargains	83.9	86.8
Value	507.7	556.5

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section — Wed Jan 4 1984 (Index No.; Day's Change %; Est. Earnings Yield % (Max.); Gross Div. Yield % (ACT at 30%); Est. P/E Ratio (Net)) — Tues Jan 3 — Fri Dec 30 — Thur Dec 29 — Wed Dec 28 — Year ago (approx.)

[illegible]

FIXED INTEREST

PRICE INDICES — Wed Jan 4 — Day's change % — Tues Jan 3 — xd adj. today — xd adj. 1984 to date

[illegible]

AVERAGE GROSS REDEMPTION YIELDS — Wed Jan 4 — Tues Jan 3 — Year ago (approx)

[illegible]

EUROPEAN OPTIONS EXCHANGE

[illegible]

TOTAL VOLUME IN CONTRACTS: 28,933

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (152)

BRITISH FUNDS (1)
AMERICANS (7)
BANKS (2)
BREWERS (1)
BUILDINGS (7)
CHEMICALS (1)
STORES (2)
ELECTRICALS (18)
ENGINEERING (7)
FOODS (7)
INDUSTRIALS (40)
INSURANCE (5)
LEISURE (2)
MOTORS (6)
NEWSPAPERS (2)
PAPER (6)
PROPERTY (21)
SHIPPING (3)
TEXTILES (2)
TRUSTS (30)
OILS (7)
OVERSEAS TRADERS (4)
PLANTATIONS (4)
MINES (1)

NEW LOWS (11)

BREWERS (1) Invergordon
BUILDINGS (2) AMEC, Delmar
CHEMICALS (1) Wardle (B.)
ELECTRICALS (1) Immed. Bus. Systems
ENGINEERING (1) Norton (W. E.)
INDUSTRIALS (1) Maloney
LEISURE (1) Samuelson
PAPER (1) Brunning
OILS (1) Oilfield Inspection

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 19	Jan 6	Mar 22	April 2
Jan 9	Jan 20	April 2	April 16
Jan 23	Feb 3	April 26	May 8

For rate indications see end of Share Information Service

Stocks favoured for the call included **Combined Technologies**, **Bula**, **Associated Dairies**, **Bowater**, **London and Liverpool**, **Scottish and Newcastle**, **Strong and Fisher**, **John Brown**, **Eglinton**, **TSL Thermal Syndicate**, **Russell Bros (Paddington)**, **Medminster** and **Mining Supplies**. No puts were reported, but doubles were taken out in **Bula** and **Scottish Newcastle**.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Ashley Ind'l Tst	21	+7
Atlantic Resources	665	+10
BP	435	+5
Grand Metropolitan	335	+5
Harvey and Thompson	85	+10
ICI	632	−6
Inchcape	288	+13
London Brick	128	−6
MEPC	277	+7
Ricardo Cons Eng	96	+12
Scot & Nwcstl Brew	104	+4½
Strong and Fisher	129	+22
Tesco	173	+6

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Bellair Cosmics	22	£12	+1¼
Shell Trans	11	575	+7
Unilever	10	905	+10
[illegible]			

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	45	13	44
Corpns. Dom. & Foreign Bonds	4	19	55
Industrials	285	194	922
Financial & Props.	145	58	317
Oils	30	27	41
Plantations	9	1	10
Mines	21	73	68
Others	74	42	65
Totals	612	427	1,549

LONDON TRADED OPTIONS

[illegible]

Jan. 4. Total Contracts 2,292. Calls 1,437. Puts 855.

* Underlying security price

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

LOANS—continued

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued.

ENGINEERING

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

[illegible]

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 27

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

Insurances—continued

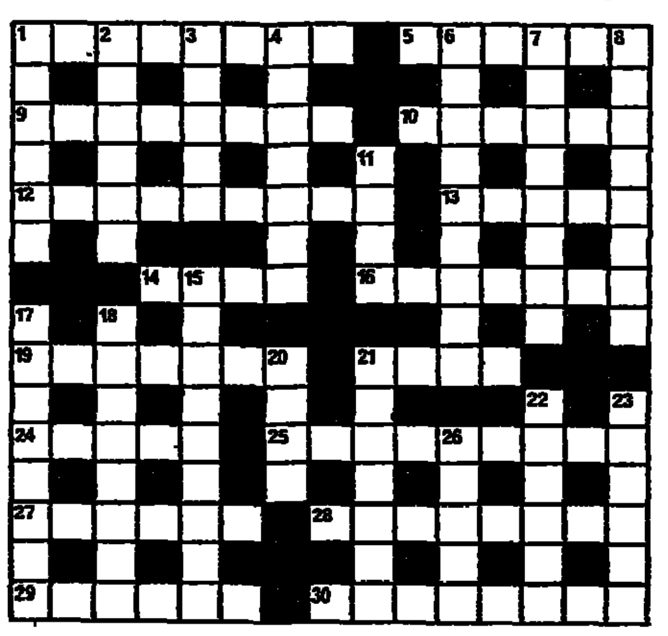
Albany Life Assurance Co Ltd				
3 Darkes Lane, Potters Bar. 0707-42311				
Pension Funds				
EqPenFdAc	623.0	655.8	+0.2	—
Euro Fd Ac	97.6	102.7	+0.8	—
FixedPenAc	427.1	440.6	−1.2	—
GlMnPnAc	251.7	264.9	+0.1	—
IntlManFd	272.2	286.5	+3.5	—
Jap Pen Fd	137.1	144.3	+0.9	—
AmPenFdAc	131.1	138.0	+0.7	—
PropPenAc	230.3	242.3	+0.1	—
MplInPnAc	531.7	559.6	+2.1	—
Capital Life Assurance				
24 Ludgate Hill, EC4P 4BD.				
Key Inv Fd	—	123.84	....	—
PackmknInvFd	—	123.4	....	—
Equity Fd	105.91	111.48	+6.35	—
Fxd Int Fd	103.20	108.73	+5.09	—
Property Fd	99.08	104.29	+2.45	—
Cash Fd	99.08	104.29	+2.45	—
Mnd Fd	106.03	112.24	+6.80	—
Commercial Union Group				
St Helens, 1 Undershaft EC3. 01-283 7500				
VarAnnAcDc31	—	151.35	....	—
VarAnnAnnJn6	—	33.49	....	—
Prime Series—Life				
Managed	130.0	136.9	+0.3	—
UK Equity	131.8	138.8	+0.3	—
Int Equity	130.8	137.7	+1.0	—
Property	103.2	108.7	....	—

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE NO. 5,308



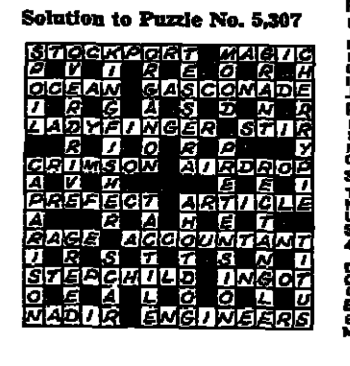
ACROSS

1 & 5 What non-scientist did at College? (8,3,3)
9 Hide match as a swindling trick (4-4)
10 Droop against the vessel (6)
12 Corrupt argument for a ride in the park (6,3)
13 Pace? Me? Top—in the right place! (5)
14 Depressed sportsman (4)
16 Person of great quality is mad backing fiddler mainly (7)
19 Roy gave change to the traveller (7)
21 Pain is style without a god (4)
24 Causeless dissenter? (5)
25 Maths term I announce at end of Hilary in a reasonable way (9)
27 A stage direction on the way out (6)
28 Make 14 by removing drink? (8)
29 and 30 Sweet society and the outcome? (Avoids the problem) (6, 3, 5)

DOWN

1 Injury of mine set in India (6)
2 If there's time in sudden movement, it's furtive (6)
3 High flier gets a good score (5)
4 REME let broken-down plant (3,4)
6 Vera or city? (4,5)
7 Sticker is in a tear. Quarrel? (8)
8 Entrance — taken in thanks *in uplifting Indian cooking* (8)
11 Feels need to give to West internally (4)
15 Quick look at pin, a delicate stroke (3,6)
17 Leave for changing on the other side (8)
18 Misdirected and raised, we hear, for food (3,5)
20 A portion of 18, for example (4)
21 Has one gun, in trouble — agony (7)
22 Spreads out like blazes (5)
23 Bush, baby! (6)
26 The island's fickle? Not half (5)

Solution to Puzzle No. 5,307



INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	240.45		.....	—
Managed Inv. Fd.	162.44	170.99	—	—
Property Fd.	151.83	159.83	.....	—
Fixed Interest Fd.	148.31	156.12	.....	—
Cash Fd.	136.46	144.79	.....	—
Income Fd.	178.18	187.56	.....	—
Extra Income Fd.	165.72	174.45	.....	—
Worldwide Growth Fd.	228.64	240.68	.....	—
Balanced Fd.	179.70	189.16	.....	—
Smlr Co's & Recv. Fd.	205.34	216.15	.....	—
Intl. Technology Fd.	267.38	281.46	.....	—
Nth. Amer. & Gen. Fd.	165.50	174.22	.....	—
Energy Int. Fd.	103.27	108.71	.....	—
Pacific Basin Fund	142.93	150.46	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	115.3	121.4	.....	—
Property	118.3	124.6	.....	—
Equity	120.1	126.4	.....	—
International	127.5	134.2	.....	—
Fixed Interest	104.1	109.6	.....	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Pten Bond Fund	126.6	133.3	+0.5	—
GT Ptn High Yld Fnd.	126.2	132.9	.....	—
GT Ptn Far East Fnd	126.1	132.8	.....	—
GT Ptn N. Am Fd.	141.2	148.7	.....	—
GT Ptn UK&G.E. Fnd	142.8	150.4	.....	—
GT Ptn Wrldwde Fnd.	144.5	152.2	.....	—
GT Pension Bnd Fnd.	138.7	146.1	+2.1	—
GT Pen High Yld Fd.	143.8	151.4	.....	—
GT Pen Far East Fd.	155.4	163.6	.....	—
GT Pen N. Am. Fd.	207.0	217.9	.....	—
GT Pen UK & G.E. Fd.	164.8	173.5	.....	—
GT Pen Worldwide Fd.	155.0	163.2	.....	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	170.2	179.2	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		257.0	.....	—

Lloyds Life Assurance—cont.
Gartmore Funds—Series A

American Jan 3	271.4
British Jan 3	131.5
Commodity Jan 3	128.0
Extra Inc. Jan 3	118.5
Far Eastern Jan 3	118.1
High Inc. Jan 3	125.8
Income Jan 3	153.0
Global Strat. Jan 3	185.4
Special Sits Jan 3	141.3
Gilt Jan 3	105.1
Japan Jan 3	178.6
U. Small Co's Jan 3	131.5
Man Gwt. Jan 3	156.2
Autrio Jan 3	116.7

[illegible]

WestAvon Secs (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd.	£1.15	1.20	−0.01	2.50
US $ Option	$1.04	1.09	+0.02	—

World Wide Growth Management◆
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.	$12.58		−0.11	—

Inv. Adv.: M & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund.	20.0	20.8	.....	—
Chinese Fund	65.2	67.9	.....	—
Precious Metal Fund.	114.9	119.7	.....	—
Vanguard Cmdy. Fd.	33.8	34.7	.....	—
Financial Futures Fd.	60.1	62.5	.....	—
Wren Intl. Fnd.*	$0.431	0.449	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◆ Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Tea hits London auctions record

By John Edwards

THE ALL-TEA average price at the London auctions on Tuesday reached a record level of 295.31p a kilo, the Tea Brokers Association confirmed yesterday. This is 44p up on the last auction on December 19 and 25p above the previous record of 269.9p reached in March 1977.

There is some concern that auction prices on Tuesday were forced artificially high and that a backlash is likely as buyers withdraw.

Nevertheless, brokers expect that prices will go well up to the 350p-a-kilo mark before any reaction sets in, since India's decision to ban export of CTC grade tea is expected to cut supplies available sharply during the first three months of the year at least.

P. C. Mahanti reports from Calcutta: Mr Jagadish Khattar, chairman of the Indian Tea Board, announced here that Indian tea production in 1983 was a record 585m kilograms, 22m kilos more than 1982 output.

Mr Khattar said that exports would rise to 205m kilos on the basis of licences issued, compared with 189m in the previous year.

Earnings from tea exports are forecast to reach a record level of Rs 5bn (nearly £329m) against Rs 3.5bn previously. The average price realised was Rs 26 a kilo against Rs 19 in 1982.

● India's ban on cotton exports, announced by the Government on Tuesday to take immediate effect, will not affect the export quota of 260,000 bales of 170 kilos that has been already released for the year ending August 1984, the Commerce Ministry said.

Reuter

Cocoa speculators take cover as price plunges £97

BY RICHARD MOONEY

PREVIOUSLY BULLISH speculators were running for cover on the London cocoa futures market yesterday as prices sustained the heavy setbacks which many analysts regarded as inevitable in the aftermath of the recent spectacular rise.

Expectations of a heavy world crop deficit in the current season had encouraged buyers to push nearby values up by more than £600 in the space of two months.

In the process, the market had become severely overbought, dealers explained.

Yesterday's sell-off, which left the May quotation £97 down at £1,934 a tonne, was sparked off by the general realisation that Tuesday's £40 rise in response to the Nigerian coup had probably been overdone.

Nigeria is third or fourth in the world cocoa production league accounting for some 10 per cent of total supplies so any disruption of its exports could have a serious effect on the world market situation.

But the assumption that a bloodless coup necessarily posed any threat to Nigerian shipments had fewer supporters yesterday than on Tuesday.

The resulting price fall triggered heavy stop-loss selling and profit-taking which tended to accelerate the trend. At one time, the May position slipped to £1,925 a tonne.

Some dealers still regard the fundamental situation as basically bullish, however.

World demand for cocoa beans is expected to outstrip supply by between 120,000 and 180,000 tonnes and the availability of physical supplies for nearby delivery remains extremely tight.

Brazilian producers look forward to a year of improved earnings

BRAZIL'S cocoa producers go into the new trading year with stocks of about 500,000 60-kilo bags and hopes that prices will stay high, writes our Sao Paulo Correspondent.

Brazil expects to export cocoa beans and products to the value of $600m (£422m) this year. The internal price now being offered is 15-20 per cent above the present world price.

This is because Bahia, with the firm evidence of a very poor Ivory Coast crop, has been convinced that Ghana's and Nigeria's crops will also be very bad.

Having sold most of their crop on a rising market, those producers lucky enough still to have cocoa are under no financial pressure to sell it.

The very low prices of recent years mean most producers have cut back sharply on their commitments and it is not in their interest tax-wise to receive any more income before the new fiscal year.

With the first pods just beginning to form, it is too early to make any meaningful estimate of the 1984-85 Bahia crop. So far, there have been no strong adverse climatic factors. Although the pod form is still slightly below average, this could easily be made up later on. February or March is the time for firmer predictions.

Investments on existing plantations and new plantings have been cut back sharply in the last two years as a result of the very low price but about 5 per cent more trees will enter production next year.

The total stock of cocoa trees in Bahia has been increased by almost 40 per cent in recent years, and those reaching maturity should add some 10,000 tons to production in 1984.

Some of the new trees, however, are planted on less good land than was used for earlier plantations, and are more vulnerable to the effects of bad weather, particularly drought.

The recent high prices are already having some effect on wage rates demanded by labour in Bahia. But unemployment in the cocoa growing region — and in Brazil as a whole — means that wage claims can probably be resisted by farmers who will probably now make some effort to get up to date with neglected cleaning work on plantations and on applying fertilisers.

However, the cost of chemical inputs has risen considerably faster than inflation this year, partly because of import restrictions, and it cannot be guaranteed that much of the cocoa growers' extra earnings this year will in fact be spent in that way.

Cacex raises cost of orange juice concentrate

SAO PAULO — The foreign trade department of the Banco do Brasil, Cacex, raised its minimum export price for frozen concentrated orange juice to $1,250 (£874) per tonne from $1,100, effective immediately.

Cacex said it would not agree to further exports beyond the 526,000 tonnes already authorised for sale abroad in the July-June marketing year.

Cacex said that of the 526,000 tonnes authorised for export, 350,000 have been registered for sale or already exported at the old minimum price.

The new level will apply to the outstanding balance of 176,000 tonnes to be registered and shipped over the next six months.

Cacex will, however, allow sales at the previous level where industrialists can prove they have genuine contracts agreed at that level, but which have not yet been registered. Industries have 24 hours to provide relevant documentation.

Mr Hans Georg Krauss, president of the Brazilian Citrus Juice Industries Association, said the industries do not agree with the position taken by Cacex and will be meeting to discuss the situation.

He said they are concerned that the increased price will lead to reduced demand.

Reuter

European sugar output likely to fall

PARIS — European Community sugar output is likely to fall this season to about 11.0m tonnes from 13.94m in 1982-83, the French Sugar Market Intervention Board said in its latest monthly report.

The board said it cut its European Community estimate from 11.24m tonnes, forecast at the end of November, due to lower-than-expected West German crop.

● The EEC Commission authorised sales of 49,500 tonnes of white sugar at a maximum export rebate 347.89 European currency units per tonne at its weekly tender in Brussels.

Reuter

Supply squeeze threat boosts LME zinc

BY JOHN EDWARDS

ZINC WAS again the star performer on the London Metal Exchange yesterday. The cash price gained £14.5 to £644.5 a tonne while the three months quotation was £8 higher at £648.5, after reaching £651 at one stage.

Dealers said the narrowing of the gap between the cash and three months price suggested that a "squeeze" on immediately available supplies was forcing the market artificially high.

A supply squeeze had pushed cash zinc to its all-time peak of £910 in December 1973, with the three months high of £805 being reached in May 1974.

On this occasion zinc stocks in LME warehouses are substantially higher at 97,600 tonnes compared with the low of 4,825 tonnes in late 1973. But there is a shortage of special high grade zinc and predictions of large shipments out of the LME warehouses.

Tin prices also advanced yesterday, buoyed up by renewed support buying by the buffer stock of the International Tin Council, reflecting the weakness in sterling.

However, the decline in the value of the £ failed to prevent losses in copper and lead prices.

Potato values continue to slide

By Barbara Dalzell

POTATO prices continued their downward slide on the London futures market yesterday, with the April position closing at £162.05 a ton, £6.55 down from the Tuesday close.

Prices reached a peak in mid-August, when a combination of late plantings, bad weather and poor growth pushed values up to £280 a ton.

During late August and September, prices followed their usual seasonal downward trend, but rallied to the £230 mark in October when it became clear that a bigger hectarage had been planted than had been reported to the Potato Marketing Board.

Brokers attribute the decline to a variety of causes. The mild weather in October and November allowed potatoes which were still in the ground to bulk out, reducing fears of shortages and ensuring that the last liftings were larger than anticipated.

They also believe that consumption has dropped sharply. The Potato Marketing Board puts the drop in consumption at 2 per cent but brokers believe it could have dropped by as much as 13 per cent during December.

Imports have also been high, with Cyprus potatoes readily and cheaply available.

Traders do not expect the downward trend to continue much further. They anticipate an upturn to the £160 level from about the middle of the month, rising to about £200 in February.

They believe that sellers may be unable to deliver because of quality problems and will have to buy back in the market.

Record UK wheat crop predicted

By Our Commodities Staff

A VERY large UK grains crop is likely in 1984 if the favourable weather conditions of the last four months continue, says the Home Grown Cereals Authority.

Above average temperatures and below average rainfall have allowed farmers to fulfil, and sometimes exceed, their planting programmes.

The winter barley acreage is expected to be up slightly, with Scottish plantings rising from about 86,000 hectares to 100,000 hectares. The winter wheat area is expected to set new records.

The most significant increase is expected in Scotland. Some reports suggest an increase of about 70 per cent but a more common view is that the planted area is likely to rise from 47,000 hectares to about 70,000 hectares.

The increase in barley and wheat plantings is likely to be at the expense of spring barley and potatoes.

There are also early indications of a large rapeseed crop, with plantings up by about 15 per cent. This would give a crop of more than 750,000 tonnes compared with 577,000 tonnes last year.

● ARGENTINA'S 1983-84 maize crop is estimated at 9.5m-9.7m tonnes, up from 8.8m tonnes last year, following fresh rain and lower temperatures.

● INTERNATIONAL volunteers have begun arriving in Nicaragua to help harvest this year's coffee crop. A 104-strong contingent from New York will join 100 Europeans already working in the field.

● ZIMBABWE'S tobacco growers expect a record crop worth more than $200m (£140m) this year. They expect the size of the crop to increase 17 per cent from last year's 94.2m kgs.

PRICE CHANGES

In tonnes unless stated otherwise	Jan. 4 1984	+ or −	Month ago
Metals			
Aluminium	£1100		£1050
Free Mkt	$1580-1610		$1670/680
Copper			
Cash h grade	£990.75	−3.5	£999
3 mths	£1025.25	−3	£1025.75
Cash Cathode	£979.5	−3	£982.5
3 mths	£1006.5	−3	£1005.5
Gold troy oz	$375.375	−5.5	$400.375
Lead Cash	£287.25	−8	£282.25
3 mths	£297.5	−8	£292.25
Nickel	£4615		£4646.54
Free Mkt	208/228c		205/225c
Palladium oz	$156.50	−2.25	$156.25
Platinum oz	£266.15	−4.70	£279.50
Quicksilver†	$305/315		$310/320
Silver troy oz	599.90p	−24.45	660.80p
3 mths	613.60p	−24.45	674.60p
Tin cash	£8562.5	+37.5	£8695
3 month	£8742.5	+112	£8880.5
Tungsten	$75.45	−1.37	$76.08
Wolfr'm 22.04 lb	$71/75		$68/72
Zinc Cash	£644.5	+14.5	£590.5
3 mths	£648.5	+8	£611.125
Producers	$950		$950

	Jan. 4 1984	+ or −	Month ago
Oils			
Coconut (Phil)	$1045y		$950
Groundnut	‡		
Linseed Crude	‡		
Palm Malayan	$750w		$685
Seeds			
Copra Phil	$685y		$625
Soyabean (U.S.)	$323	−12	$307.5
Grains			
Barley Fut. Mar	£122.90	+0.05	£123.60
Maize	£148.50		£145.00
Wheat Fut. Mar	£122.10	−0.10	£124.40
No 2 Hard Wint	‡		
Other commodities			
Cocoa ship't*	£2020	−104	£1797
Fut. May	£1934	−97	£1736.5
Coffee Ft. Mar	£1997	+37.5	£1652.5
Cotton A.Index	86.00c	−0.05	83.95c
Gas Oil Fut.	$246.5	−0.75	$243.25
Rubber (kilo)	85p		85p
Sugar (Raw)	$132y		$139
Wool'tps 64s	482p kilo		465p kilo

‡ Unquoted. w Feb. z March. u Jan-March. y Jan-Feb. † Per 75-lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

Prices moved quickly higher on the opening to reflect greater buying interest on the physical market and remained steady throughout the morning, moving to the highs on the re-opening. Later in the day values fell quickly in line with the U.S. before settling around mid-range, reports Premier Man.

SPOT PRICES

CRUDE OIL—FOB ($ per barrel)	Latest	Change + or −
Arabian Light	28.50-28.60	+0.05
Iranian Light	27.70-28.00	—
Arab Heavy	26.20-26.45	—
North Sea (Forties)	29.90-29.05	−0.15
North Sea (Brent)	29.05-29.35	−0.12
African Bonny L'ht	29.35-29.55	+0.05
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	260-264	—
Gas oil	246-256	—
Heavy fuel oil	173-177	—

CRUDE OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per barrel		
Feb	28.60	+0.15	
Mar	28.72	+0.18	28.80-70
Apr	28.47	+0.22	28.47-45
May	28.35	+0.23	28.45-33
June	28.30	+0.25	—
July	28.27	−0.45	—

Turnover: 150 lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Jan	251.25	+1.75	252.00-48.25
Feb	248.50	+0.75	249.25-47.00
Mar	244.00	+1.50	245.00-42.50
April	239.00	+1.75	240.00-36.50
May	235.00	+2.00	235.50-35.00
June	234.75	+2.25	234.75
July	235.00	−2.75	—
Aug	235.00	−3.00	—
Sept	236.00	+0.50	—

Turnover: 1,643 (1,576) lots of 100 tonnes.

GOLD MARKETS

Gold fell $5½ to $375-375½ on the London bullion market yesterday. The metal opened at $377-377½, the high of the day, and touched a low of $372-372½. It was fixed at $376½ in the morning and $374 in the afternoon.

In Paris the 12½ kilo bar was fixed at FFr 103,250 per kilo ($376.97 per ounce) in the morning, compared with FFr 104,000 ($385.03) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,840 per kilo ($377.74 per ounce), compared with DM 33,980 ($385.15) on Tuesday, and closed at $374½-374⅞ ($382-383 on Tuesday).

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $376.75 per ounce, compared with $383.30 on Tuesday.

In Zurich gold finished at $374-374½ per ounce, compared with $380-380½ on Tuesday.

LONDON FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ per troy ounce		
Jan	375.00-77.50	−5.75	
Feb	376.80-77.00	−5.65	378.70-74.7
April	383.80-84.00	−5.65	385.50-82.7
June	390.70-91.00	−5.75	—
Aug	396.80-97.60	−5.50	—
Oct	402.50-04.00	−5.75	—

Turnover: 722 (426) lots of 100 troy ounces.

	Jan. 4	Jan. 3
Gold Bullion (fine ounce)		
Close	$375-375½ (£264-264½)	$380½-381½ (£266-266½)
Opening	$377-377½ (£265-265½)	$383½-384½ (£264½-267)
Morning fixing	$376.50 (£265.071)	$383.75 (£267.316)
Afternoon fixing	$374 (£263.938)	$383 (£267.068)

Gold and Platinum Coins Jan. 4			
Krugrnd	$386¼-387¼ (£272¼-273½)	King Sov	$90-91½ (£63¼-64½)
½ Krug	$200½-201½ (£141¼-142)	Victoria Sov	$90-91½ (£63¼-64½)
¼ Krug	$102¼-103 (£72¼-72½)	French 20s	$73½-75½ (£51¼-52½)
1/10 Krug	$41¼-42¼ (£29¼-29¾)	50 pesos Mex	$452-456 (£318¼-321¼)
Mapleleaf	$386¼-387¼ (£272¼-273¼)	100 Cor Aust	$366-370 (£258¼-260¼)
New Sov	$90-91½ (£63¼-64½)	$20 Eagle	$550-560 (£387-394)
½ New Sov	$53-55 (£37½-38½)	Noble Plat	$392-396½ (£276½-279½)

EUROPEAN MARKETS

ROTTERDAM, January 4.

Wheat—(U.S. $ per tonne): U.S. two winter Jan 180, Feb 160, March 161. U.S. two northern spring 14 per cent protein mid Jan/Mid Feb 193, Feb 192, March 192, April/May 178, June 177. U.S. three amber durum Jan 206, Feb 210, March 212, April/May 195, June 194.50, July 192. Canadian western spring April/May 209, June 209.

Maize—(U.S. $ per tonne): U.S. three yellow afloat 159, Jan 158.50, Feb 155, March 154, April/June 154.50, July/Sept 153 sellers. Argentine Plate mid Jan/Mid Feb 173, April/June 161 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports. Jan 316, Feb 317.75, March 319, April 320.75, Sept 301, Oct 275.75, Nov 275.75, Dec 279.75, Jan 283.75 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 251, Dec 254, Jan 255, Feb 253, March 255, April/Sept 253, Nov/March 228 sellers. Pellets Brazil afloat 272, Jan 276, Feb 276, March 266.50, April 259, April/Sept 256, May/Oct 254, Oct/Dec 249 sellers.

PARIS, January 4. Sugar—(FFr per tonne): March 1845 bid, May 1900 bid, Aug 2010 bid, Oct 2070/2095, Dec 2165/2175.

BRITISH COMMODITY PRICES

BASE METALS

ZINC VALUES rose strongly on the London Metal Exchange as strong demand for cash metal prompted fears of a squeeze on nearby supplies: forward metal touched £651 while the contango contracted to around £3.50. Tin moved ahead in response to weak sterling, trade support and buffer stock buying which lifted forward standard material to £8,735. Weakness in Copper followed a poor performance by gold and silver as well as a sharp decline in cocoa prices.

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grde	£	£	£	£
Cash	998-9	+0.25	998.5-9	−2.5
3 months	1026.5-6	+1.25	1025-5	−3
Settlem't	999		—	
Cathodes				
Cash	982-3	+2.25	979-80	−3
3 months	1006-7	−1.5	1006-6	−3
Settlem't	983	+2.5	—	
U.S. Prod	—		*69.72	+0.5

Amalgamated Metal Trading reported that in the morning higher grade cash traded at £999, 98.5, three months £1,026, 26.5, 26, 27, 26.5, 26, 25.5, 25, 25.5. Cathodes: untraded. Kerb: Higher Grade, three months £1,025, 24, 23. Cathodes: untraded. Afternoon: Higher Grade, three months £1,023.5, 24, 24.5, 24, 25, 26, 25.5, 25. Cathodes: Three months £1,008.5. Kerb: Higher Grade, three months £1,026, 27.5, 27, 26.5, 26, 25, 25.5. Cathodes: untraded. Turnover: 23,850 tonnes.

TIN

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grde	£	£	£	£
Cash	8565-75	+47.5	8500-90	−72.5
3 months	8640-42	+28.5	8740-45	−87.5
Settlem't	8575	+50	—	
Standard				
Cash	8530-40	+72.5	8560-65	+97.5
3 months	8720-25	+95	8740-45	+112
Settlem't	8540	+95	—	
Straits E.	$29.15	+0.01	—	
New York				

Tin—Morning: Standard, three months £8,680, 90, 91, 95, 8,710, 8,700, 20. High Grade, cash £8,580, 70, three months £8,700, 10, 20, 40. Kerb: Standard, three months £8,715, 10, 05, 10. Afternoon: Standard, three months £8,720, 30, 25, 30, 40. High Grade, three months £8,740, 45, 50. Kerb: Standard, three months £8,735, 31. High Grade, three months £8,750. Turnover: 2,670 tonnes.

LEAD

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	287-8	−8.25	287-7.5	−8
3 months	297-8	−9.25	297-7.5	−8
Settlem't	288	−9	—	
U.S. Spot	—		*24-28	

Lead—Morning: Three months £303, 02, 300.5, 300, 300.25, 300, 298, 98.5, 99. Kerb: Three months £298, 97, 96.5, 96 0, 96.5. Afternoon: Three months £297, 98, 99.5, 98, 97.5. Kerb: Three months £298, 99, 98, 98.5, 98, 97.5. Turnover: 10,575 tonnes.

ZINC

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	637.5-8	+2.25	644-5	+14.5
3 months	643-.5	−2.25	648-9	+8
Settlem't	638	−8	—	
Prim w'ts	—		*49-49.75	

Zinc—Morning: cash £638, three months £645, 45.5, 44, 43.5, 43, 42, 42.5, 43. Kerb: Three months £643, 43 5, 43. Afternoon: Cash £644, three months £643, 42, 47, 49, 48. Kerb: Three months £651, 50, 49, 48.5, 48. Turnover: 15,675 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	1101-.5	−8	1103-4	+2.75
3 months	1130-.5	−3	1132.5-3	+5

Aluminium—Morning: Cash £1,101, three months £1,131, 32, 31, 31.5, 32, 31.5, 31, 30. Kerb: Three months £1,130, 29, 30, 30.5, 30. Afternoon: Three months £1,129, 30, 30.5, 31, 32, 34, 33. Kerb: Three months £1,133, 32, 31. Turnover: 21,975 tonnes.

NICKEL

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	3225-8	−50	3295-05	+11
3 months	3414-5	−49	3381-85	+14

* Cents per pound. † MS per kilo. ‡ On previous unofficial close.

Nickel—Morning: Three months £3,410, 15, 13, 14. Kerb: Three months £3,410. Afternoon: Three months £3,405, 3,400, 3,390, 95, 90, 85. Kerb: Three months £3,380, 75, 78. Turnover: 1,248 tonnes.

SILVER

Silver was fixed 24.4p an ounce lower for spot delivery in the London bullion market yesterday at 599.9p. U.S. cent equivalents of the fixing levels were: spot 848c, down 49c; three-month 868.8c, down 48.3c; six-month 893.5c, down 48.4c and 12-month 941.1c, down 50.9c. The metal opened at 597-600p (849-863c) and closed at 594-597p (843-847c).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	599.90p	−24.4	595.75p	−6.75
3 months	613.60p	−24.4	609.75p	−6.75
6 months	628.75p	−24.1	—	
12 months	660.90p	−25.0	—	

LME—Silver (2,000 oz contract): Three months 609.75p (612.5p). Turnover: 124 (125) lots of 10,000 ozs. Morning: Large three months 609, 10. Kerb: Three months 609.5, 10. Afternoon: Large three months 608.0. Kerb: Large three months 609, 08, 07. Large three months 609.0, 09.5, 10.0, 09.5; small three months 608.5. Kerb: Large three months 609.5, 08, 07.5, 07, 07.5.

COCOA

Following the lead given by New York the previous night, futures opened close to limit-down. After approximately one hour's trading the market closed at the limit. This prompted substantial liquidation and the market collapsed. The afternoon was extremely active and volatile. Origins were withdrawn: some industry interest was noted, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
March	1958-60	−104.5	2039-48
May	1933-35	−97.0	2013-25
July	1918-20	−92.5	1995 90
Sept	1897-98	−78.0	1965-82
Dec	1867-60	−78.5	1923-35
March	1830-50	−86.0	1908-15
May	1820-60	−86.0	—

Sales: 10,999 (7,932) lots of 10 tonnes.

ICCO Indicator prices (U.S. cents per pound). Daily price for Jan 3 128.20 (127.76): five-day average for Jan 4 125.69 (124.43).

COFFEE

After opening weaker against a lower New York close London improved in good volume, reports Drexel Burnham Lambert. Short-covering in nearbys encouraged the rise which triggered some minor stops as the rally gathered momentum.

COFFEE	Yest'day's Close	+ or −	Business Done
January	1940-45	−1.5	1960-15
March	1986-21	+37.5	1930-86
May	1873-75	+37.5	1875-30
July	1836-39	+36.0	1839-90
Sept	1806-10	+45.0	1798-65
Nov	1776-90	+40.0	1775-43
January	1732-50	+26.0	1730-15

Sales: 4,238 (2,876) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for Jan 3: Comp. daily 1979 136.26 (137.34); 15-day average 139.75 (139.98).

GRAINS

Business done—Wheat: Jan 119.70-19.35, March 122.40-22.10, May 125.30-25.05, July 128.15-28.05, Sept 112.50-12.40, Nov untraded. Sales: 123 lots of 100 tonnes. Barley: Jan 120 60-20.45, March 122.90, May 124.50, Sept untraded, Nov untraded. Sales: 46 lots of 100 tonnes.

WHEAT			BARLEY	
Mnth.	Yesterdy's close	+ or −	Yestday's close	+ or −
Jan	119.65	+0.20	120.15	−0.35
Mar	122.10	−0.10	122.90	+0.05
May	125.00	−0.15	124.50	—
July	128.05	−0.05	—	—
Sept	112.30	−0.20	109.80	−0.10
Nov	115.30	−0.20	112.80	−0.10

Old crops saw limited trade and new crops eased on lack of interest, reports Muirpace.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Feb/March 145.5, April/May 135.75 trans shipment East Coast sellers. English feed fob Jan 125.25, Jan/March 126.50, April/June 128.50 sellers East Coast. Jan 125 paid Ipswich. Maize: French Jan 148.50 East Coast seller. Barley: English feed fob Jan 125.25, Jan/March 126.50, April/June 128.50 East Coast sellers. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 119.50, E. Mids 120.30, N. East 120.30. The UK monetary coefficient for the week beginning Monday January 9 (based on HGCA calculations using 5 days' exchange rates) is expected to remain unchanged.

POTATOES

Prices again fell to close at or near the lows on a weak note, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Feb	140.50	146.00	145.50-144.0
April	162.50	168.50	168.10-162.0
May	173.40	179.60	177.00-173.5
Nov	76.00	77.50	—
Feb	86.00	87.50	—

Sales: 1,099 (910) lots of 40 tonnes.

RUBBER

The London physical market opened slightly steadier, attracted little interest throughout the day and closed quiet and easier, reports Lewis and Peat. The Kuala Lumpur January fob price for RSS No 1 was 252.0 (253.0) cents a kg and SMR 20 222.5 (223.5).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
Feb	854-866	854-866	—
Mar	856-860	856-857	—
Apl-Jne	861-863	861-862	865-863
Jly-Sept	870-876	872-876	876-869
Oct-Dec	880-881	882-884	886-880
Jan-Mch	890-892	892-894	—
Apl-Jne	901-905	904-905	—
Jly-Sept	910-913	914-916	—
Oct-Dec	923-932	934-934	—

Sales: 47 (21) lots of 15 tonnes; nil (nil) lots of 5 tonnes.

Physical closing prices (buyers) spot 85.00p (same): Feb 85.75p (same); March 86.00p (same).

SOYABEAN MEAL

The market opened £2.00 down on follow-through selling, reports T. G. Roddick. Prices remained under pressure throughout the day.

	Yestday's close	+ or −	Business Done
	£ per tonne		
Feb	177.70-78.50	−3.15	182.00-77.40
April	181.98-82.00	−1.10	182.08-81.50
June	177.80-78.50	−1.95	178.50-78.00
August	177.50-78.30	−1.90	—
October	169.00-72.00	−1.50	—
Dec	182.50-85.00	−0.75	—
Feb	182.00-88.00	−1.50	—

Sales: 90 (68) lots of 100 tonnes.

SUGAR

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Mar	142.80	141.60-42.00	142.00-40.75
May	148.20-48.30	148.10-48.25	148.28-47.00
No. 6 Contract	**$ per tonne**		
Mar	201.90-02.00	205.00-04.00	204.00-00.20
May	210.60-11.00	212.40-15.20	212.08-09.20
Aug	218.40-19.40	220.20-20.60	220.00-17.00
Oct	226.40-27.00	228.00-28.40	227.00-24.80
Dec	235.00-35.00	234.00-37.00	—
Mar	248.00-49.60	248.00-52.00	—
May	255.00-58.00	255.00-60.00	—

LONDON DAILY PRICE—Raw sugar £132.00 ($173), unchanged, a tonne for Jan-Feb shipment. White sugar $214 00, down $4.50.

Sales: No 4 1,313 (987); No 6 323 (294) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £228.50 (same) a tonne for export.

International Sugar Agreement — (U.S. cents per pound fob and stowed Caribbean ports). Prices for January 3. Daily price 6.94 (7.19): 15-day average 7.41 (7.47).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 200 tonnes. Renewed pressure for supplies was exerted and useful buying was recorded including Middle Eastern and Turkish while attention was also centred on North and South American growths.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Jan 405, 410, 408-407; March 421, 424, 423-421; May 432, 434, 437-431; Aug 448, 460, 453-447; Oct 550, 553, 454-449; Dec 454, 458, 461-454; Jan 456, 460, 461-456; March 462, 468, 469-462; May 469, 475, 480-469. Sales: 86.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 563.0, 565.0, 5G.0; May 580.0, 582.0, 581.5; July 590.0, 594.0, untraded; Oct 582.0, 590.0, untraded; Dec 590.0, 594.0, untraded; March 602 0, 614.0, untraded; May 610.0, 620.0, untraded, July 615.0, 630.0, untraded. Sales: 7.

HIDES

HIDES—Leeds (Birmingham). Second clears. Ox: 31-35.5 kg, 94.9p a kg (92.5); 26-30.5 kg, 106.2p a kg (103.0p); 22-25.5 kg, 118.0p a kg (114.6p). Cows: 25 5 kg, 116.1p a kg withdrawn (114.0p).

MANCHESTER (Leeds). Second clears. Ox: 31-35.5 kg, 95.0p a kg (94.9); 26-30.5 kg, 106.3p a kg (106.2p); 22-25.5 kg, 118.0p a kg (118.0p). Cows: 25.5 kg, 116.0p a kg withdrawn (116.1p withdrawn).

INDICES

FINANCIAL TIMES

Jan. 3	Dec. 30	M'th ago	Y'ar ago
296.34	298.51	288.14	238.73

(Base: July 1 1952=100)

REUTERS

Jan. 4	Jan. 3	M'th ago	Y'ar ago
1968.4	1980.0	1940.7	1576.4

(Base: September 18 1931=100)

MOODY'S

Jan. 3	Dec. 30	M'th ago	Yearago
1056.6	1056.4	1034.8	1006.8

(December 31 1931=100)

DOW JONES

Dow Jones	Jan. 3	Dec. 30	Month ago	Year ago
Spot	138.02	140.10	137.74	133.64
Fut's	140.57	143.34	144.82	146.75

(Base: December 31 1974=100)

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 95.86p per kg lw (−2.49). GB—Sheep 152.87p per kg est dcw (−6.25). GB—Pigs 72.85p per kg lw (−6 03).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 82.0 to 87.0; English forequarters 53.5 to 58.0. Lamb: English small 71.5 to 75.7, medium 60.5 to 72.5, heavy 66.0 to 68 6; Imported: New Zealand PL 59.2 to 60.0, PM 58.5 to 59.3, PX 56.5 to 57.0. Pork: English under 100 lb 49.0 to 55.0, 100-120 lb 49 0 to 53.5, 120-160 lb 43.3 to 50.6.

English produce: Apples—Per pound, Cox's 0.16-0.28, Spartan 0.12-0.16, Laxton's Superb 0.12-0.16, Bramley 0.19-0.24. Pears—Per pound, Comice 0.15-0.22, Conference 0.10-0.22. Potatoes—Whites 4.20-4.60, Edwards 4.80-5.20, Bakers 7.00-8.00. Mushrooms—Per pound, open 0.50-0 60, closed 0.60-0.70. Lettuce—Per tray round 1.50-2.00. Onions—Per 55-lb 4.00-4.50. Cabbages—Per 25-lb Celtic 2.80-3.00, Jan King 3.50-3.60. Celery—Pre-packed 3.00-3.60; dirty, by cubes 2.00. Beetroots—28-lb 1.80-2.00. Turnips—28-lb 2.50-3.00. Swedes—28-lb 1.20-1.50. Sprouts—Per pound 0.14-0.17. Carrots—28-lb 1.80-2.50. Cauliflowers—dozen Cornish 3.80-4.00; Kent 3.80-4 00. Greens—30-lb Kent 4 00-4.50; 40-lb Cornish 6.00-6 50. Parsnips—28-lb 3.30-3.60. Rhubarb Per pound 0.28-0.30.

COVENT GARDEN — Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Satsumas—Spania: 2.40-2.80. Clementines — Corsican: 2.00-3.00; Spania: 82/120 4.00-4.20, 132/168 3.80-4.00, 182/210 3.50-3.60; Moroccan: 1's 3.80, 2's 3.50-3.60, 3's 3.30-3.40, 4's 3.20-3.30, 5's 2.80-3.00. Oranges—Spania: 4.40-4.50; Moroccan: 4.50; Jaffa: Navels 16-kg carton 40 4 85, 48 5.15, 56 5.10, 72/88 4.70, 100/113 5.10; 21-kg Bruce 58/60 6 00, 75 6 10, 88/105 5.80, 123/144 6.00; Cyprus: Ovals approx 15-kg 4.50. Bitters—Spania: Sevilles 7.50; Italian: 5.50-5.80; Cuban: 4.50.

Lemons — Italian: carton 5.00-5.50; Cyprus: 10-kg boxes 2.50-5 00; Greek: 10-kg 3.50-4.20, 15-kg 6.00-6.50; Spania: 5-kg 1.80-2 20. Grapefruit—Jaffa: 20-kg 32 5.00, 36 5 30, 40 5.40, 48 5.10, 56 4.90, 64 4.50, 75 4.20, 88 4.00. Sunrise 23 5.60, 32 6.20, 36 6.40, 40 6.40, 48 6.20, 56 6.00, Red Blush 32 5.90, 36 6.00, 40 6.00, 48 5.60, 56 5.20; U.S.: Ruby 6.50-7.50; Cyprus: 32 4.60, 40 4.30, 48 4.00, 56 3.80, 64 3.60; Cuban: Pink 36/40 3.80-4.00. Kumquats—Moroccan: per pound 1.20; Israeli: 1.10-1.20.

AMERICAN MARKETS

NEW YORK, January 4.

PRECIOUS METALS were mostly weak on continued strength in the dollar and general lack of speculative interest, reported Heinold Commodities. Aluminium finished slightly lower on technical selling and commission house support. Copper opened weak, took most of the day to recover and managed to finish slightly lower: the market had to overcome considerable arbitrage pressure, gaining most of its support from technical trading. Cocoa market was down almost the full daily limit as massive profit-taking dominated the market. Heating oil prices rallied from an oversold condition in anticipation of a bullish industry stock report showing a major drawdown; the market psychology is still geared to selling rallied even though the danger of Nigeria flooding the spot oil market with offerings is not imminent. Sugar prices traded slightly higher on short-covering with trade showing little interest in lower values. Cotton prices recovered moderately on profit-taking and commission house short-covering. Coffee prices finished sharply higher on re-emergence of roaster buying, prompting short-covering by commission houses which were early sellers. Maize and wheat were mixed on strong trade and speculative support. Soyabeans came under heavy selling from computer-orientated systems which were also visible in the soyameal downturn.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	7.10	77.60	76.65	77.40
May	77.35	77.25	77.00	77.65
July	78.25	—	—	78.55
Sept	79.15	—	—	79.45
Dec	80.55	—	—	80.85
Jan	81.00	—	—	81.30
March	81.95	—	—	82.25
May	82.90	—	—	83.20
July	83.85	—	—	84.15
Sept	84.80	—	—	85.10

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	2609	2655	2590	2706
May	2599	2630	2599	2687
July	2583	2610	2583	2671
Sept	2597	2597	2597	2685
Dec	2512	2515	2512	2600
March	2484	2484	2484	2572

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	139.34	39.40	37.10	37.73
May	136.23	36.25	34.25	34.78
July	134.20	34.20	32.25	33.00
Sept	132.45	32.50	30.73	31.00
Dec	129.50	30.00	29.10	29.13
March	128.00	—	—	27.50
May	126.88	—	—	25.25

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	64.75	64.70	64.35	64.80
Feb	65.20	—	—	65.30
March	65.85	66.10	65.45	65.95
May	67.15	67.35	66.45	67.25
July	68.50	68.75	67.80	68.60
Sept	69.85	70.00	69.15	69.95
Dec	71.90	72.00	71.20	72.00
Jan	72.60	—	—	72.70
March	73.95	73.80	73.30	74.05
May	75.25	74.85	74.85	75.35

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	75.77	75.95	75.15	75.32
May	77.14	77.25	76.50	76.72
July	77.95	78.05	77.50	77.62
Oct	73.60	73.60	73.45	73.54
Dec	72.40	72.50	72.10	72.17
March	73.90	73.90	73.80	73 20
May	74.55	—	—	73.90

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrel

	Latest	High	Low	Prev
Feb	29.46	29.70	29.44	29.40
March	29.10	29.31	29.09	28.96
April	28.77	29.00	28.73	28.63
May	28.65	28.80	28.63	28.51
June	28.55	28.66	28.60	28.40
July	28.50	28.59	28.50	28.32
Aug	28.40	—	—	28.40
Sept	28.45	28.50	28.45	28.35
Oct	28.45	28.45	28.45	28.30

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	377.3	374.5	373.7	379.2
Feb	379.7	380.0	373.0	381.7
March	382.8	—	—	384 9
April	386.0	386.0	379.0	388.0
June	392.4	393.0	385.0	394.4
August	399.0	398.5	392.0	401.0
Oct	405.8	404.2	401.5	407.8
Dec	412.8	412.7	407.0	414.8
Feb	420.0	420.0	416.5	422 0
April	427.3	425.2	421.0	429.3
June	434.9	430.5	430.5	436.9
August	442.8	438.4	438.4	444.8
Oct	451.0	449.0	449.0	453.0

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Feb	81.64	82.40	81.15	81.10
March	78.46	79.10	78.10	77.65
April	75.65	75.90	75.10	74.77
May	73.50	74.00	73.30	72.60
June	73.64	73.70	73.10	72.82
July	74.15	74.15	73.75	73.25
August	55.00	—	—	75.00
Sept	76.80	—	—	75 00
Oct	76.50	—	—	75.70

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Jan	140.25	40.10	37.40	37.60
March	143.85	44 00	41.05	40.95
May	145.00	45.10	42.45	42.10
July	146.00	46.00	43.25	42 90
Sept	146.60	45.50	45.50	43.50
Nov	144.00	43.50	42.60	41 20
Jan	138.90	38.00	37.10	36.30
March	137.90	37.90	37.00	35 30
May	137.90	—	—	35.30

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	377.5	377.5	370.0	378.5
Feb	375.0	—	—	—
April	385.2	388.5	379.0	387.8
July	392.2	392.0	386.5	394.8
Oct	399.2	399.5	394.5	401.8
Jan	406.5	405.0	404.0	409.1
April	410.0	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Jan	852.0	847.0	844.0	850.5
Feb	857.5	—	—	866.5
March	864.0	866.0	845.0	873 0
May	878.8	882.0	860.0	888.0
July	893.7	894.0	873.0	903.0
Sept	908.9	914.0	885.0	918.5
Dec	931.9	933.0	910.0	942.0
Jan	939.9	—	—	950.2
March	956.2	960.0	947.0	966 5
May	973.2	981.0	958.0	983.5

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	9.75	9.75	9.80	9.60
March	7.89	7.98	7.81	7.87
May	8.33	8.35	8.21	8.25
July	8.68	8.69	8.61	8.60
Sept	8.88	8.81	8.78	8.85
Oct	9.05	9.05	8.92	9.02
Jan	—	—	—	—
March	10.01	10.03	9.95	9.95

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	67.15	67.42	66.75	66.95
April	67.45	67.55	66.82	67.15
June	66.80	66.97	66.35	66.57
Aug	64.85	64.92	64.45	64.65
Oct	62.72	62.87	62.40	62.45
Dec	63.30	63.30	63.20	62.80

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	50.95	51.00	50.20	50.30
April	47.90	48.07	47.45	47.45
June	53.05	53.20	52.60	52.62
July	53.87	53.90	53.07	53.20
Aug	53.20	53.40	52.75	52.57
Oct	51.00	51.25	50.75	50.70
Dec	52.30	52.40	52.15	52.20
Feb	53.10	53.25	53.10	53.20
April	52.40	52.40	52.40	52.50

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
March	330.2	330.6	327.6	329.6
May	333.4	334.4	331.4	333.4
July	335.0	335.4	332.0	334.4
Sept	308.4	309.0	308.0	309.0
Dec	291.4	291.4	290.2	291.4
March	302.2	302.2	301.2	302.2
May	308.4	—	—	308.6

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	60.95	61.55	59.90	60.15
March	61.27	61.70	60.25	60.40
May	63.02	63.37	62.20	62.40
July	63.55	63.97	63.00	62.97
Aug	62.25	62.85	61.80	61.80

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Jan	774.0	783.0	770.0	784.4
March	792.0	802.0	787.0	802.6
May	808.0	815.0	800.0	813.4
July	813.4	822.0	809.0	819.0
August	802.0	809.0	798.0	805.4
Sept	850.0	756.0	745.0	747.0
Nov	712.0	717.0	704.0	705.4
Jan	726.0	728.0	723.0	718.0
March	735.0	736.0	729.0	731.0

SOYABEANS MEAL 100 tons, $/ton

	Close	High	Low	Prev
Jan	212.5	215.5	211.0	215.5
March	213.0	215.5	211.2	215.2
May	214.0	216.5	212.0	215.3
July	214.5	218.0	213.3	215.9
August	212.6	216.0	211.8	214.5
Sept	206.5	208.0	206.5	209.0
Oct	193.0	194.5	191.0	192.0
Dec	194.5	194.0	191.5	192.7
Jan	194.5	—	—	193 3
March	197.5	—	—	195.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Jan	28.30	29.30	27.85	28.09
March	28.60	29.10	28.50	28.65
May	29.40	29.55	29.00	29.15
July	29.45	29.70	29.10	29.25
August	29.10	29.16	28.85	28.80
Sept	27.70	27.90	27.46	27.43
Oct	26.70	26.85	26.15	26.27
Dec	26.40	26.55	25.95	26.05
Jan	26.30	—	—	25.82

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
March	355.2	355.6	351.4	354.0
May	351.6	352.6	348.4	351.0
July	341.2	341.6	337.4	340 0
Sept	348.4	349.0	348.0	347.0
Dec	362.0	362.2	357.0	355 6
March	372.0	—	—	370.0

SPOT PRICES—Chicago loose lard 23.00 (same) cents per pound. New York tin 564.0-74.0 (567.0-75.0) cents per pound.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar at record levels

The dollar finished at record levels against several major currencies, including the French franc and Italian lira, and near to a 10-year peak in terms of the D-mark, but retreated from its best levels of the day. Profit taking, and a fall in the Federal funds rate of 11¼ per cent on Tuesday to 10 per cent, after the Federal Reserve intervened to add $2bn to the New York banking system, pushed the dollar down in the afternoon. Continuing unease about the Lebanon, and doubts about the direction of U.S. interest rates in the near future underpinned the dollar however, and led to its earlier advance as previous sellers of the currency to square positions before the year end, returned to buy the dollar once again.

It rose to DM 2.7845 from DM 2.7590 against the D-mark; FFr 8.4975 from FFr 8.4375 against the French franc; SwFr 2.2250 from SwFr 2.2125 in terms of the Swiss franc; and Y233.30 from Y232.25 against the yen.

The dollar's trade-weighted index, on Bank of England figures, rose to 131.1 from 130.0.

STERLING — Trading range against the dollar in 1982-84 is 1.6245 to 1.4149. December average 1.4344. Trade-weighted index 82.0, compared with 82.1 at noon, 82.2 at the opening, 82.2 at the previous close, and 84.4 six months ago.

Sterling opened at $1.4215-1.4225, the highest level of the day, but then weakened steadily against the strong dollar, touching a low of $1.4110-1.4120, before recovering partially as the dollar came off its best levels, to close at $1.4200-1.4210, a fall of 80 points on the day. The pound was quite firm against other currencies however, although dealers suggested that there was no significant demand for sterling, which rose to DM 3.9575 from DM 3.94125; FFr 12.0650 from FFr 12.0550; and Y332 from Y331.75, but was unchanged at SwFr 3.1650.

D-MARK — Trading range against the dollar in 1983-84 is 2.7845 to 2.3320. December average 2.7487. Trade-weighted index 123.7 against 127.7 six months ago.

The D-mark lost ground to most currencies at the Frankfurt fixing, including the dollar which was fixed at DM 2.7865, the highest level for nearly 10 years, compared with DM 2.7458 on Tuesday. The dollar opened at DM 2.7735, and continued to rise without any apparent intervention on the open market by the Bundesbank. But the German central bank sold $35.85 at the fixing, as the market waited to see whether the sharp upward move in the Federal funds overnight rate on Tuesday was technical, possibly resulting in a sharp downward correction for the dollar if U.S. rates fell back to previous levels. Sterling rose to DM 3.9460 from DM 3.9410 at the fixing, and the French franc to DM 32.725 per 100 francs from DM 32.695. The Swiss franc fell to DM 1.2474 from DM 1.25035.

JAPANESE YEN — Trading range against the dollar in 1983-84 is 246.90 to 226.80. December average 234.40. Trade-weighted index 157.2 against 147.0 six months ago.

The yen improved against the dollar in Tokyo, with the U.S. currency falling to Y233.30 from Y233.63 in New York on Tuesday. It opened at Y233.60, and moved within a narrow range of Y233.25 to Y233.75. The dollar was above the previous Tokyo close of Y231 last Friday however, gaining support from the turnround in sentiment in the U.S. and Europe on Tuesday. On the other hand the yen was generally firm, rising against European currencies, including the D-mark, buoyed by the strong performance of the Tokyo stock market, where the Nikkei Dow Jones index ended at a record closing high on the first session of 1984. A Japanese official from the Finance Ministry is to visit the U.S. at the end of January to pave the way for talks about the dollar/yen exchange rate, which begin officially in February. Japan's foreign exchange reserves fell in December, for the first time since August, and for only the second time since October 1982.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	46.0374	+2.53	+1.85	±1.5447
Danish Krona ...	8.14104	8.17355	+0.40	−0.28	±1.6425
German D-Mark	2.24184	2.25902	+0.77	+0.09	±1.0642
French Franc ...	6.87456	6.89854	+0.36	−0.32	±1.4052
Dutch Guilder ...	2.52595	2.53428	+0.33	−0.35	±1.4964
Irish Punt	0.72569	0.728929	+0.45	−0.23	±1.6699
Italian Lira	1403.49	1368.19	−2.52	−2.52	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York—Latest

	Jan 4	Previous
Spot	$1.4170-4180	$1.4200-4210
1 month	0.08-0.11 dis	0.09-0.10 dis
3 months	0.25-0.29 dis	0.26-0.28 dis
12 months	1.00-1.10 dis	0.99-1.05 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Jan 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4110-1.4235	1.4200-1.4210	0.07-0.12c dis	−0.80	0.25-0.30dis	−0.77
Canada	[illegible]	[illegible]-1.7740	0.02-0.12c dis	−0.47	0.16-0.26dis	−0.47
Nethlnd.	[illegible]	[illegible]	[illegible]	3.04	[illegible] pm	3.15
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 82.10-82.20. Six-month forward dollar 0.50-0.55c dis. 12-month 1.00-1.10c dis.

THE DOLLAR SPOT AND FORWARD

Jan 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4110-1.4235	1.4200-1.4210	0.07-0.12c dis	−0.80	0.25-0.30dis	−0.77
Ireland†	1.1105-1.1135	1.1105-1.1115	0.25-0.18c pm	2.32	0.54-0.52 pm	2.45
Canada	1.2485-1.2495	1.2490-1.2495	0.06-0.03c pm	0.43	0.11-0.08 pm	0.28
Nethlnd.	3.1135-3.1295	3.1225-3.1245	1.12-1.02c pm	4.12	3.15-3.00 pm	3.95
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 57.80-57.85.

OTHER CURRENCIES

	£	$		£ Note Rates
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Selling rates.

CURRENCY MOVEMENTS

Jan. 4	Bank of England Index	Morgan Guaranty Changes%
[illegible]	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Jan. 4	Bank rate %	Special Drawing Rights	European Currency Unit
[illegible]	[illegible]	[illegible]	[illegible]

* CS/SDR rate for Jan 3: 1.30138.

EXCHANGE CROSS RATES

Jan. 4	Pound Sterling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 4	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9-9⅛	9⅝-9⅞	8¾-9½	5½-5¾	3⅛-3¾	5⅛-5⅝	12⅜-12⅝	15-16	9¼-9¾	9-9½	6½-6⅝	12⅜-12⅞
7 day's notice	9-9⅛	9⅝-9⅞	9-9½	5½-5¾	2⅝-2⅞	5½-5⅞	12¼-12½	15-16½	10-10½	10-10½	6¼-6⅝	12¾-13⅛
Month	9⅛-9¼	9⅜-9⅞	9¼-9½	5½-5¾	3⅛-3⅜	5½-5⅞	12⅜-12⅝	16-16½	10½-11	10½-10⅝	6⅛-6⅜	12⅛-12⅝
Three months	9¼-9⅜	9⅞-10⅛	9½-9¾	6-6⅛	3⅜-3⅝	5⅞-6	13½-13¾	16⅝-17⅛	11-11½	10⅞-11⅛	6⅜-6⅝	11¾-12¼
Six months	9⅜-9⅝	10⅛-10⅜	9¾-10	6⅛-6⅜	4⅛-4⅜	6⅛-6¼	14¼-14½	17⅜-17⅞	11⅛-11⅝	11⅛-11⅝	6⅜-6½	11½-12
One Year	9⅞-10	10½-10¾	10-10¼	6⅜-6½	4⅛-4¼	6⅛-6½	14½-14¾	17⅞-18⅜	11¼-11¾	11⅛-11⅝	6½-6⅝	11⅜-11⅞

Asian $ (closing rates in Singapore): Short-term 9¾-9⅞ per cent; seven day s 9[illegible]-9[illegible] per cent; one month 9[illegible]-9[illegible] per cent; three months 9[illegible]-10[illegible] per cent; six months 10[illegible]-10[illegible] per cent; one year 10[illegible]-10[illegible] per cent. Long-term Eurodollars two years 11⅛-11½ per cent; three years 11½-11¾ per cent; four years 11⅞-12⅛ per cent; five years 12⅛-12⅜ nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

London rates steady

Interest rates were steady on the London money market yesterday, despite the weakness of sterling against the dollar on the foreign exchanges. Three-month interbank rose very slightly to 9 5/32 per cent from 9⅛ per cent, while discount houses buying rates for three-month bank bills were unchanged at 8 27/32 per cent.

The Bank of England forecast a money market shortage of £200m in the morning, but this was revised to £250m at noon, and to £300m in the afternoon.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills from Friday's tender drained £250m, and Exchequer transactions another £100m. These were partly offset by a fall in the note circulation of £65m.

Before lunch the authorities gave help of £256m by buying £9m bank bills in band 2 (15-33 days maturity) at 9 per cent; £3m bank bills in band 3 (34-63 days) at 8 15/16 per cent; £27m Treasury bills in band 4 (64-91 days) at 8⅞ per cent; £7m local authority bills in band 4 at 8⅞ per cent; and £210m bank bills in band 4 at 8⅞ per cent.

In the afternoon another £47m bank bills were purchased in band 4 at 8⅞ per cent, bringing total assistance for the day to £303m.

In Zurich four major Swiss banks lowered customer time deposit rates with maturities of one-month to eight months by ¼ of a point. Deposits with a maturity of one-month will carry a rate of 2¾ per cent; two-month deposits 3 per cent; and three-month to eight-month deposits 3¼ per cent. Maturities of nine to 12-months will continue to pay 3½ per cent.

In Tokyo Japanese banks cut interest rates on deposits by ¼ per cent, as scheduled when the Bank of Japan discount rate was reduced by ½ point to 5 per cent on October 22.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

MONEY RATES

Jan. 4	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.65	12⅞	2-3	5⅝-5¾	6.09375	17½-17⅞	8-10	12-12¼
One month	5.80-6.00	12 11/16-12 13/16	3½-3⅝	5¾-5⅞	6.15625	17½-17⅞	10⅜-10⅝	12-12¼
Two months	5.80-5.95	12 9/16-12 11/16	—	—	—	—	—	12-12¼
Three months	5.90-6.10	12 7/16-12 9/16	3 7/16-3 9/16	6-6⅛	6.28125	17⅝-18	10⅞-11⅛	12-12¼
Six months	6.05-6.25	12 5/16-12 7/16	—	6⅛-6¼	—	—	11-11⅜	12⅜-12⅝
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Jan. 4 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8⅝-9⅛	9	8¼-9¼	4-9	—	—	—	—	—
2 days notice	—	—	9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	9-9 3/16	9⅛	9⅜-9½	9	—	—	—	—	—
One month	9¼-9⅛	9 1/16-9¼	9¼	9⅜-9½	9	9	8 15/16	9	9	9⅜
Two months	9⅛-9¼	9¼-9⅜	9¼	9⅝	9	8 29/32	8⅞	8 29/32	8 29/32	9¼
Three months	9 1/16-9 3/16	9 1/16-9¼	9⅜	9¾	9	8⅞	8 27/32	8 31/32	8⅞	9⅛
Six months	9 7/16-9 9/16	9 7/16-9 9/16	9⅝	—	—	—	—	9 1/16	8 31/32	9⅝
Nine months	9⅝-9¾	9 11/16-9⅞	9¾	—	—	—	—	—	—	—
One year	9 27/32-9 31/32	9⅞-10	9⅞	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅞-9⅝	—	9 3/16	9.65-9.75	8 11/16-9 1/16	8⅝-9
Two months	9⅞-9⅝	—	9 3/16	9.65-9.75	8¾-9⅛	8 11/16-9 1/16
Three months	9⅞-9⅝	—	9 5/16	9.75-9.85	8⅞-9¼	9-9⅜
Six months	9⅜-9⅛	—	9⅝	9.95-10.05	9 1/16-9 7/16	9⅜-9¾
Nine months	9⅞-9⅝	—	9⅞	10.10-10.20	—	—
One year	9¾-9½	—	10	10.25-10.45	9 5/16-9 11/16	9⅝-10
Two years	—	10½	—	—	—	—
Three years	—	10¾	—	—	—	—
Four years	—	10⅞	—	—	—	—
Five years	—	11¼	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 7 1983 to January 3 1984 (inclusive) 9.492 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from January 1 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8391 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month: 9¾ per cent; one-three months 9½ per cent; three-six months 9¾ per cent; six-12 months 10¼ per cent. Under £100,000 9¼ per cent from January 4. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. January 4)

3 months U.S. dollars	
bid 10	offer 10 1/8

6 months U.S. dollars	
bid 10 1/4	offer 10 3/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10½-11
Fed funds	10
Fed funds at intervention	10

Treasury Bills

One month	8.525
Two month	8.725
Three month	9.01
Six month	9.16
One year	9.21

Treasury Bonds

Two year	100⅛
Three year	99⅞
Four year	99 21/32
Five year	99¼
Seven year	99 27/32
10 year	99¾
30 year	100 21/32

FINANCIAL FUTURES

Firmer tone

Interest rate contracts were in demand to fairly active trading on the London International Financial Futures Exchange yesterday. March Eurodollar deposits opened weak at 89.79 following unease about the very high finish to the Federal funds overnight rate in New York on Tuesday. It touched a low of 89.73, but rallied in the afternoon to close at the day's peak of 89.87, compared with the previous settlement of 89.85. The contract rallied when the Federal funds rate fell back to around 10 per cent from Tuesday's level of 11¼ per cent. The rate opened at 10¾ per cent and touched 10½ per cent, but was around 10 per cent when the Federal Reserve added $2bn in liquidity to the New York banking system through a customer repurchase agreement.

The late improvement was also underpinned by a slightly softer tone to Eurodollar cash rates.

Long term gilts also recovered from a weak start, with all activity concentrated on March delivery. It opened at 108-30, compared with the previous close of 109-10, depressed by the overnight close to U.S. Treasury bond prices. Sterling's weakness against the dollar also contributed to the lower opening level, with the contract falling to 108-27, before recovering as prices rose in the cash market, and the pound showed a firmer tone in late London foreign exchange trading. March gilts closed at 109-28, after touching a high point of 109-29.

Three-month sterling deposits opened at 90.40, and fell to a low of 90.38, before closing at the day's peak of 90.50, compared with 90.48 on Tuesday, buoyed by the pound's recovery.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STERLING £25,000 $ per £

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	90.71
June	[illegible]	[illegible]	[illegible]	90.37
Sept	[illegible]	[illegible]	[illegible]	90.10
Dec	[illegible]	[illegible]	[illegible]	89.87
March	[illegible]	[illegible]	[illegible]	89.65
June	[illegible]	[illegible]	[illegible]	89.43
Sept	[illegible]	[illegible]	[illegible]	89.25
Dec	[illegible]	[illegible]	[illegible]	89.07

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STERLING (IMM) $e per £

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for January 4.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia Comm 11⅛ 90	100	100⅝	101⅛	−0⅛	0	11.04
Australia Comm 11½ 95	300	96¾	97¼	0	+0½	11.97
Australia Comm 11⅝ 98	100	96¾	97¼	0	+0¼	12.05
Bank of Tokyo 11 90	100	94¼	94¾	0	0	12.28
Bank of Tokyo 11⅞ 90	100	97⅞	98⅜	0	−0¼	12.28
British Col Hyd 10⅛ 88	200	95⅜	96¼	+0⅛	0	11.47
Britoil Fin 11⅞ 90	125	99⅛	99⅝	0	−0⅛	11.99
Canada 10⅞ 88	500	98⅝	99⅛	0	+0¼	11.17
C.C.C.E. 12⅜ 95	75	99	99½	+0⅛	+0⅛	12.72
C.I.B.C. 11 90	75	92¼	93	+0⅛	+0⅛	12.73
Citicorp O/S 10⅞ 90	100	90¾	91¼	−0⅛	0	12.48
Citicorp O/S 11¾ 90	100	97¾	98¼	+0⅛	−0⅛	12.17
Cred Suisse BAH 10½ 90	150	98¾	98⅞	0	−0⅛	10.88
Den Norsk Cred 11¼ 93	50	92¼	92¾	0	0	12.63
Denmark Kingdom 12¼ 93	100	96⅞	97⅜	+0¼	+0⅜	12.77
E.C.S.C. 11⅞ 90	75	98¾	99¼	0	+0¼	12.07
E.D.F. 11⅛ 93	100	91¾	92¼	+0⅛	+0⅛	12.60
E.E.C. 11 87	350	98⅜	98⅞	+0¼	+0½	11.44
E.E.C. 12 93	50	98¼	98¾	0	0	12.26
E.I.B. 10¾ 93	200	90⅞	91⅜	0	+0¼	12.37
E.I.B. 11 91	125	94¼	94¾	+0⅛	+0½	12.17
E.I.B. 11½ 90	200	96¾	97¼	0	+0⅛	12.16
Exportfinans 11⅛ 90	100	95⅜	96⅜	0	0	12.35
Electrolux 10½ 90	50	92⅜	92⅞	0	+0⅛	12.19
Fuji Int Fin 10⅞ 90	100	92¾	93¼	+0⅛	0	12.50
GMAC O/S Fin 11⅞ 90	100	100¼	100¾	0	+0⅜	11.24
Honeywell Int 10¾ 90	100	95¾	96¼	−0⅛	0	11.86
IC Indust Fin 11⅞ 98	75	96½	96⅝	−0⅛	0	12.41
Indust Bk Japan 11⅞ 91	100	98⅜	98⅞	0	+0⅜	12.14
ITT Finance 11½ 89 WW	125	99¼	99¾	0	+0⅛	11.61
Japan Air Lines 10⅞ 98	42	91¼	91¾	0	+0⅛	12.13
Japan Air Lines 11 93	75	93½	94⅛	0	0	12.09
J.C. Penney 11⅞ 90	100	100⅞	101⅜	0	−0½	11.60
J. P. Morgan 11⅝ 90 WW	150	97⅜	97⅞	+0⅛	−0½	11.88
Levi Strauss Int 11 90	75	96¼	96¾	0	+0⅛	11.77
L.T.C.B. 10¾ 90	100	92¾	93¼	+0⅛	+0⅛	12.38
L.T.C.B. 12½ 90	85	100⅞	101⅜	0	0	12.21
Merrill Lynch 10⅝ 90	200	94⅛	94⅝	+0⅛	+0¼	11.91
Mitsubishi Fin 11⅛ 90	100	94¾	95¼	0	+0⅜	12.51
Nippon Credit 11 90	100	93⅜	93⅞	+0⅛	+0¼	12.48
Nippon Credit 11⅞ 90	100	96⅞	97⅜	0	0	12.51
Ontario Hydro 10½ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ontario Hydro 11¾ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pacific Gas & Elec 12 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P.K. Banken 12 90 WW	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Prudential 10⅛ 93 WW	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Prudential 10⅛ 93 XW	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec Hydro 11½ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sears O/S Fin 11½ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sears O/S Fin 11¾ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Stn Cal Edison 10½ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sumitomo Fin 10⅞ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Texaco Capital 10½ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U.B.S. 10 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 11⅛ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 11⅜ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 11½ 90	150	[illegible]	[illegible]	[illegible]	[illegible]	12.81
World Bank 10⅛ 90	200	[illegible]	[illegible]	[illegible]	[illegible]	12.84

Av. price changes: on day [illegible], on week [illegible]

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amca Int'l 8¼ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.72
A.N.A.S. 8½ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.90
Arab Banking Corp 8 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.93
Asian Dev Bk 8½ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.45
Austria, Rep 7¾ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.47
Avon Int Fin 7½ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.32
Barclays O/S 8⅛ 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.24
Beatrice Foods 7¾ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.32
Dresdner Finance 4 90 XW	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.16
E.C.S.C. 8 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.83
E.E.C. 8½ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.24
E.I.B. 8 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.18
Eurofima 7½ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.24
Europarat 8¼ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.26
Finland Rep 8 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.14
I.A.D.B. 8¼ 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.63
Int Standard El 7¾ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.49
Int Standard El 7¾ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.44
Ireland 8⅜ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.56
Japan Dev Bank 7½ 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.39
L.T.C.B. 8 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.74
S.N.C.F. 8½ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.99
VEBA Int Fin 4 93 WW	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.64
VEBA Int Fin 4 93 XW	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.73
World Bank 7¾ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	7.83
World Bank 8 92	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.17

Av. price changes: on day [illegible], on week [illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 7⅛ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11.28
Bank of Tokyo 6 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.44
Bergen, City of 5¾ 95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.55
Denmark 6¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.68
E.E.C. 6 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.74
Europarat 6¾ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.28
Ind Fund Fin 6¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.85
Int-Am Dev Bk 6 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.08
Ireland 6½ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.48
Japan Dev Bank 5⅞ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.55
Jap Highway Pub 5¾ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.48
Kansai Ele Power 6 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.47
Kawasaki Steel 6⅛ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.84
Manitoba Prov 6¼ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.22
Mont Blanc Tunl 6⅛ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.88
Mount Isa Finance 6 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.56
MTG Bk Denmark 6⅛ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.90
New Brunswick 5¾ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.39
Nippon Tel & Tel 5¾ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.33
Nisshin Steel 6⅛ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.85
Ostarr Post 6⅛ 91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.85
Quebec Province 5¾ 93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6.54
Shikoku Elec Power 6 91	100†	[illegible]	[illegible]	[illegible]	[illegible]	5.50
Sumitomo Heavy Ind 6 93	100†	[illegible]	[illegible]	[illegible]	[illegible]	5.41
Tokyo Elec Power 5⅞ 91	100†	[illegible]	[illegible]	[illegible]	[illegible]	5.36
Trizec Corp 6⅛ 93	100†	[illegible]	[illegible]	[illegible]	[illegible]	5.93

Av. price changes: on day [illegible], on week [illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	[illegible]	[illegible]	[illegible]	[illegible]	7.54
E.I.B. 8⅛ 92	15	[illegible]	[illegible]	[illegible]	[illegible]	7.66
Int-Am Dev Bk 7⅞ 93	15	[illegible]	[illegible]	[illegible]	[illegible]	7.72
New Zealand 7¾ 88	15	[illegible]	[illegible]	[illegible]	[illegible]	6.82
World Bank 7⅞ 93	20	[illegible]	[illegible]	[illegible]	[illegible]	7.46

Av. price changes: on day [illegible], on week [illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col Hyd 12 93 C$	125	[illegible]	[illegible]	[illegible]	[illegible]	12.35
E.I.B. 12⅛ 91 C$	80†	97½	97¾	−0⅛	−0⅛	12.65
Loblaw 12½ 90 C$	35†	97⅞	98⅜	+0⅛	−0⅛	12.92
Montreal City of 12 90 C$	50†	97½	98	0	0	12.49
Quebec Hydro 12¾ 93 C$	50†	101¾	102¼	+0¼	+0½	12.36
Royal Trstco 12⅝ 88 C$	50†	101¼	101¾	0	+0¼	12.17
World Bank 12⅛ 90 C$	75†	100¼	100¾	+0¼	+0¼	12.11
E.E.C. 11 93 ECU	50	101⅞	102⅞	0	−0⅜	10.60
Genfinance 11 90 ECU	80	99⅛	100⅛	0	−0⅛	11.06
Algemene Bank 8¾ 88 Fl	150	103	103½	−0¼	+0⅜	7.86
Bank Mees & Hope 9 88 Fl	75	103¾	103⅞	0	+0⅛	8.02
Elec Sup Brd 8¾ 88 Fl	75	97¼	97¾	0	−0⅛	9.44
P.H.P. 8¾ 88 Fl	50	102¾	103¼	+0⅛	+0⅜	7.83
Swed Exp Cred 7¾ 88 FL	100	97¼	97¾	−0⅛	−0⅜	8.46
World Bank 9 88 Fl	100	103¼	103¾	−0⅛	0	8.05
O.K.B. 14 88 FF	400	100⅞	101⅜	−0⅛	0	13.16
Solvay & Cie 14¾ 88 FF	200	102	103	−0⅛	−0⅛	13.28
B.F.C.E. 11½ 88 £	50	99⅛	99⅝	0	−0⅛	11.65
British Oxyg 11¾ 91 £	50	100⅛	101	0	−0⅛	11.59
CEPME 11¼ 95 £	35	104	105	+0¼	+0¼	10.53
CIBA-Geigy Int 8¾ 93 £	25	98½	99¼	−2⅛	−2⅛	8.91
Commerzbank 11½ 90 £	25	97¼	98	0	0	12.02
E.E.C. 11⅞ 91 £	50	100⅝	101⅛	0	0	11.65
E.E.C. 11⅞ 93 £	50	100⅞	101⅜	−0⅛	+0⅛	11.66
Fin For Ind 10½ 90 £	20	94⅞	95⅜	−0⅛	−0⅛	11.50
Finland Rep 11⅞ 88 £	50	100⅝	101⅛	0	−0⅛	11.62
Gen Elec Co 12½ 89 £	50	103¾	104½	0	−0⅛	11.37
I.I.I. 10¾ 93 £	25	94⅞	95⅜	−0⅛	−0⅛	11.59
I.I.I. 11½ 91 WW £	50†	99½	100½	0	+0⅜	11.48
Norsk Hydro 12 90 £	30	100⅝	101⅛	−0⅛	0	11.75
Sweden 11¼ 93 £	50	98⅛	98⅝	0	0	11.48
Swed Exp Cred 11¼ 88 £	30	98½	99¼	0	+0¼	11.54
World Bank 11⅛ 88 £	100	98⅞	99⅜	−0¼	−0¼	11.34
Eurofima 10 91 LuxFr	600	99¼	100¼	0	+0⅛	10.04
Europarat 10¾ 93 LuxFr	600	100¼	101¼	0	+0⅛	10.60

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish Bk 5¼ 95 $	0⅛*	98¼	98¾	8/6	10.31	10.47
Banco di Roma 5¼ 90	0¼*	99⅝	99⅞	7/6	10½	10.53
Belgium 5 2004	0⅛*	99	99¼	9/1	5	5.04
Bk of New Yk 5¼ 96 $	0⅛	99¼	99½	12/1	5¼	5.28
C.C.F. 5¼ 95	0¼	99½	99¾	7/4	9.94	9.97
C.C.F. 5¼ 98 $	0¼	99⅞	100⅛	24/3	10.19	10.19
CEPME 5¼ 88 WW †	0¼†	99⅞	100⅛	3/3	10.31	10.31
C.N.C.A. 5¼ 95 XW	0¼	99¾	100	7/6	10½	10.51
C.N.T. 5¼ 91	0¼	99½	99¾	6/5	10.19	10.23
Credit Foncier 5⅛ 93	0¼	99¾	100	6/4	10	10.01
Credit Lyonnais 5⅛ 97	0⅛	99⅝	100⅛	1/4	10	10.01
Denmark 5¼ 90 $	3/16	99⅝	99⅝	13/4	10	10.05
Dresdner Fin 5¼ 93 XW $	0⅛	100	100¼	19/4	9.94	9.93
EAB Fin 5 93 $	0¼*	100⅛	100⅜	28/6	10.69	10.66
E.D.F. 5⅛ 95 XW	0¼	99⅞	100⅛	10/2	11⅞	11.38
E.E.C. 5 90	0⅛	99¾	100	6/1	10.19	10.20
Ext Int 5¼ 96	0¼	98	98¼	21/6	10.81	11.02
Fst Interstate 5⅛ 95 $	0⅛*	99½	99¾	6/3	9.94	9.98
Fuji Int'l 5¼ 96 $	0⅛*	99⅝	99⅞	12/1	5¼	5.26
GZB 5¼ 96	0⅛*	99¾	99¾	29/5	10.19	10.21
Hispano 5¼ 95	0¼	98⅛	98⅜	28/4	10	10.18
Nat Bk Canada 5⅛ 91 $	0⅛†	98⅜	98⅝	5/1	5¼	5.33
Saitama Int 5¼ 93	0⅛*	100	100⅛	5/6	10.19	10.18
Soc Generale 5¼ 90 XW	0¼	99⅝	99⅞	9/5	10.31	10.34
Sweden 5¼ 2003 $	0¼*	99⅝	99⅞	17/5	10.19	10.21

Av. price changes: on day 0, on week −⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	142⅝	144⅛	−0½	5.04
Canon 7 97	7/82	688.2	245½	247½	−3⅝	0.38
Daiwa Sec Co 5½ 98	10/83†	481.8	99½	101	−2	−3.11
Fanuc 3¾ 98	1/84	9142	121⅛	122½	+0⅛	9.83
Hitachi Cable 5¼ 98	2/82	515	126⅞	127⅞	+0⅛	0.25
Honda Motor 5⅛ 98	6/83	884	133	134⅛	+2⅜	5.88
Honda Motor 5½ 97	3/83	759.6	150½	152	+1	2.58
Konishiroku Photo 4 98	10/83	673	103⅞	104⅞	−0⅛	7.09
Kyowa Hakko 6¼ 97	2/83	762	111⅝	113⅛	−0¼	10.74
Minebea Co Ltd. 5½ 98	5/83	667	112	113	+0⅜	8.98
Mitsubishi Electric 5⅛ 98	6/83	398	112⅞	113¾	+0¼	3.35
Mitsubishi Heavy 4¾ 99	1/84	253	109½	110½	−0⅝	0.77
Nippon Electric 5¼ 97	2/82	765.9	189⅜	190¾	+2⅜	2.16
Nippon Oil Co 5½ 98	4/83	984	115⅜	116⅜	0	10.83
Nissan Motor 5⅜ 98	4/83	708	109⅝	110⅝	−0⅝	0.83
Olympus Optical 6⅜ 97	12/82	1157	115	116½	−0⅛	8.98
Orient Leasing 5⅛ 98	6/83	2680	91	92¼	+1⅛	2.92
Secom 5 98	11/83	2828	152	153½	−1⅝	4.73
Yamaichi Sec Co 5 98	8/83	440.5	98	99½	+0½	−1.07
Yamanouchi Pharm'cal 4 98	10/83	1800	103½	104½	+0½	31.18
Bridge Oil 4¾ 93 SF	3/84†	3.43	110	112	−0⅝	16.15
Settsu Paper 3⅝ 93 SF	9/83†	716	103	105	0	14.85
Asics 5 92 DM	12/83	520	117¾	118¾	+1	7.88
Konishiroku 6¼ 88 DM	8/82	616	122½	123½	0	−3.25
Sum Realty 6¼ 92 DM	2/83	365	135	138	+1½	−5.15

* No information available-previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; $ above mean rate) for U.S. dollars. C.cpn – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cov. date – First date for conversion into shares. Cov. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Market sees launch of Eurodollar bonds worth $400m

BY MARY ANN SIEGHART IN LONDON

SHF Bank bond average		
Jan 4		Previous
98.120		98.243
High	1983	Low
98.306		98.120

THE FIRST straight Eurodollar bond issues for over a month were launched yesterday – four totalling $400m.

Sears Roebuck, the American retailer, launched two: one for $150m in the Eurodollar market and a $50m issue in the Asia dollar market, where Eurobonds are distributed in the Far East.

The larger issue has a seven-year life and pays 11⅝ per cent at par. Led by Goldman Sachs and Dean Witter Reynolds, it traded just outside its 1⅞ point selling concession at a discount of about 1⅞ per cent.

The smaller issue is for five years and has an 11⅜ per cent coupon at a price of 99⅝. First Chicago Asia is leading the deal, with Dean Witter Reynolds, Bangkok Bank, Daiwa Securities, United Overseas Bank and Wardley.

Another large U.S. retailer, R.H. Macy, issued a $100m, seven-year bond with an 11⅞ per cent coupon at par, led by Lehman Brothers and Goldman Sachs. Dealers reported slightly more interest in this than the Sears deal and it traded at a discount equal to its 1⅞ point selling concession.

Finally, Tokai Bank launched its long-expected swap-related $100m bond. This, too, is for seven years, but the coupon, at 12⅛ per cent, is significantly higher, reflecting investor preference for corporates over bank names. Salomon Brothers is running the books and co-lead managers are Tokai International and Morgan Grenfell. The bond traded at a discount of around 1⅞ per cent in the pre-market.

Even though the straight Eurodollar bond market has been effectively closed since the end of November, there was apparently no great rush to buy these issues.

The dollar secondary market saw moderate activity tailing off in the afternoon. Prices closed unchanged to slightly better.

NYK Line, the Japanese shipping company, is raising SwFr 100m in the Swiss franc public bond market. Indications are that the maturity will be either eight or 10 years with corresponding yields of 5⅝ or 6 per cent. Credit Suisse is lead manager.

Ushio Inc, the Japanese lamp and optical equipment maker, issued a SwFr 80m convertible private placement yesterday through SBC. The five-year bond has an indicated yield of 2⅝ per cent.

Prices of secondary bonds rose slightly in Switzerland but eased in Germany during a day of reasonable turnover in both markets.